

an **e-on** company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

MAY 17 2010

PUBLIC SERVICE COMMISSION Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

May 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00311, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after May 27, 2010.

Included in this filing is the final month of amortization for the Mill Creek Ash Dredging expense. The Deferred Debit Balance on ES Form 2.00 and the Ashpond Dredging Expense on ES Form 2.50 will be reported with a zero balance going forward.

It has come to my attention that the ECR Revenue from Base Rates included on ES Form 1.10 in our February 2010 expense month filing was overstated resulting in an understated ECR billing factor. The amount of the overstatement is reflected as a Prior Period Adjustment on ES Form 1.10 for the April 2010 expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of April 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 1,998,563

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

3.12%

Effective Date for Billing: June billing cycle beginning May 27, 2010

Submitted by:

Title: Director, Rates

Date Submitted: May 17, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of April 2010

Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	. =	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	==	Composite Federal & State Income Tax Rate
OE	===	Pollution Control Operating Expenses
BAS	==	Total Proceeds from By-Product and Allowance Sales
BB	=	Beneficial Reuse Operating Expenses

				Environmental Co	ompliance Plans
(1) (2) (3) (4) (5) (6)	RB RB/12 (ROR + (ROR - DR) (TR/(OE BAS BR	(1 - TR))))	= = =	\$	238,604,916 19,883,743 11.18% 1,590,098 (189,461)
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	4,002,561

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(0)	Invisdiational Allocation Datio for European Month ES Form 2 00	=	 84.15%
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00		84.1370
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	\$ 3,368,155
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=	-
(11)	Prior Period Adjustment (if necessary)	=	941,134
(12)	Adjusted Jurisdictional $E(m)$ [(9) + (10) + (11)]	=	4,309,289
(13)	Revenue Collected through Base Rates	=	\$ 2,310,726
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$ 1,998,563
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$ 64,004,468
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	==	3.12%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2010

Determination of Environmental Compliance Rate Base

		Enviromental	Comp	oliance Plan
Eligible Pollution Control Plant	\$	248,446,376		
Eligible Pollution CWIP Excluding AFUDC		47,741,186		
Subtotal			\$	296,187,562
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		-		
Cash Working Capital Allowance		768,916		
Deferred Debit Balance Mill Creek Ash Dredging		-		
Subtotal				768,916
Deductions:	a de la companya de			
Accumulated Depreciation on Eligible Pollution Control Plant		42,560,004		
Pollution Control Deferred Income Taxes	·	15,791,558		
Subtotal				58,351,562
Environmental Compliance Rate Base			\$	238,604,916

Determination of Pollution Control Operating Expenses

	viromental pliance Plan
Monthly Operations & Maintenance Expense	\$ 585,817
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	7 -
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,590,098.

Determination of Beneficial Reuse Operating Expenses

	Envir	ronmental
	Compl	liance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total	A	mount in	1.	Net
	Proceeds	В	ase Rates		Proceeds
	(1)		(2)		(1) - (2)
Allowance Sales	\$ 34,460	\$	223,921	\$	(189,461)
Scrubber By-Products Sales	-				-
Total Proceeds from Sales	\$ 34,460	\$	223,921	\$	(189,461)

ES Form 2.10 Page 1 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2010		Monthly ITC Amortization Credit	De	Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	192,860,844	\$	37,126,515	\$	-	\$	155,734,329	S	13,922,138		\$	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting	\$	192,860,844	\$	37,126,515	\$	-	\$	155,734,329	\$	13,922,138		\$	617,234	\$	19,775
from implementation of 2001 Plan	\$	(5,850,965)	\$	(2,914,284)	\$	_	\$	(2,936,681)	\$	(1,053,265)		\$	(13,202)	\$	(341)
Net Total - 2001 Plan:	\$	187,009,879	\$	34,212,231	\$	-	\$	152,797,648	\$	12,868,873		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion	\$	30,861,686	\$	9,126,959	s	-	\$	21,734,727	s	1,063,625		\$	103,474	\$	2,769
Project 8 - Precipitator Upgrades - All Plants	\$	11,929,133		2,735,234		-	\$	9,193,899		939,796		\$	47,792		1,173
Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$	1,197,310 2,734,620		417,861 1,174,748	\$	-	\$	779,449 1,559,872		30,055 79,361		\$	3,702 8,614		99 199
1.5,500.10 252.100.000 1.5,50 1.500 0.500 0.500		-,,	Ĺ	.,,	Ľ		Ĺ	-,,					-,		
Subtotal Less Retirements and Replacement resulting	\$	46,722,749	\$	13,454,802	\$	-	\$	33,267,947	\$	2,112,836		\$	163,582	\$	4,240
from implementation of 2003 Plan	\$	(7,839,520)	\$	(6,665,432)	\$	-	\$	(1,174,088)	\$	(796,041)	-	\$	(27,125)	\$	(387)
Net Total - 2003 Plan:	\$	38,883,229	\$	6,789,370	\$		\$	32,093,859	\$	1,316,794		\$	136,457	\$	3,853
2005 Plan:													0.541		500
Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	4,607,107 4,730,568		338,266 253,792		1,356,666 52,594	\$	5,625,507 4,529,369		203,069 227,039		\$	9,741 8,397		700 564
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$	850,100		71,643		-	\$	778,457		67,209		\$	2,564		99
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s	308,507	\$	35,629		-	\$	272,878		17,348		\$	1,147	\$	35
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,075,907	\$	-	S	6,285,170	\$	947,767		\$	22,206	\$	797
Subtotal	\$	17,857,360	\$	1,775,238	\$	1,409,259	\$	17,491,382	\$	1,462,432		\$	44,055	\$	2,193
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(1,191,665)	\$	(548,068	\$	-	\$	(643,598)	\$	(131,696)		\$	(3,438	\$	(80)
Net Total - 2005 Plan:	\$	16,665,695	\$	1,227,170	\$	1,409,259	\$	16,847,784	\$	1,330,736		\$	40,616	\$	2,114

ES Form 2.10 Page 2 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2010	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	S	171,079 104,624 55,531	\$	44,397,114 191,409 - -		44,397,114 3,460,407 1,945,722 341,620	\$	- 175,399 34,624 65,132		\$ \$ \$	- 9,777 8,867 1,361	\$ \$ \$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ \$	5,887,574 -	\$	331,233	\$	44,588,523	\$	50,144,864	\$	275,155		\$	20,005	\$	6,145
Net Total - 2006 Plan:	\$	5,887,574	\$	331,233	\$	44,588,523	\$	50,144,864	\$	275,155		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- - -	\$ \$ \$ \$	- - -	\$ \$ \$	248,289 706,534 788,580	\$	248,289 706,534 788,580	\$	- - -		\$ \$ \$	-	\$ \$ \$	33 120 - -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	1,743,403	\$	1,743,403	\$	-		s s	-	\$	153
Net Total - 2009 Plan:	\$	_	\$		\$	1,743,403	\$	1,743,403	\$	-		\$		\$	153
Net Total - All Plans:	\$	248,446,376	\$	42,560,004	\$	47,741,186	\$	253,627,558	\$	15,791,558		\$	801,110	\$	31,700

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Attachment to Response to LGE KIUC-1 Question No. 19 Page 7 of 485 Conroy

ES FORM 2.30

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: April 30, 2010

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dollar Value Of Vinta	ige Year		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx		NOx	
		Annual	Ozone Season	-	Annual		Ozone Season	
Current Year	166,486	9,705	7,643	\$ 3,765.58	\$	\$	150.57	
2011	62,379	14,133	6,212					
2012	62,379	14,133	6,212					
2013	62,379	14,133	6,212					
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379				·			
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030 - 2039	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
DOMENT MANAGE	TONI ATT OTHER	CONTRACTOR TO THE	Z ATT OT ADDITION	A TEXANIC			
	ION ALLOWANCE					166 406	
Quantity	169,308		2,822	0	0	166,486	
Dollars	\$ 3,829.42		\$ 63.84		\$ -	\$ 3,765.58	
Allowance	\$ 0.02	\$ -	\$ 0.02		\$ -	\$ 0.02	
ALLOCATED A	ALLOWANCES FR	OM EPA: COAL I	FUEL				
Quantity	160,732		2,784			157,948	
Dollars	\$ 3,635.45		\$ 62.98		\$ -	\$ 3,572.47	
	-1	T:	† · · · · · · · · · · · · · · · · · · ·				
	ALLOWANCES FE		FUELS 38	-	· · · · · · · · · · · · · · · · · · ·	0.520	
Quantity	8,576				-	8,538	
Dollars	\$ 193.9	/ \$ -	\$ 0.86		\$ -	\$ 193.11	
			<u> </u>	<u> </u>	L	L	
	S FROM PURCHA	SES:					·
From Market:							
Quantity	-	-	-		-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
		_	· -	-	-	-	
						\$ -	
Quantity Dollars	\$ -	\$ -	-	-	-	-	
Quantity Dollars	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	\$ -	
Quantity	1						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of April 2010

	Beginning Inventory		locations/ urchases	Util (Coal		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWAN	CES IN IN	VENTORY.	. ALL CL	ASSIFIC	ATIONS					
Quantity	7,6		0		0	0		. 0		7,643	
Dollars		57 \$	-	\$	-	\$ -	\$	-	\$	150.57	
\$/Allowance	\$ 0.	02 \$	-	\$	-	\$ -	\$.	_	\$	0.02	
ALLOCATED A	LLOWANCES I	ROM EP	'A: COAL F	UEL							
Quantity	7,4	77	-		-	_	T	-	·	7,477	
Dollars	\$ 147.	30 \$	-	\$	-	\$ -	\$	_	\$	147.30	
ALLOCATED A Quantity		ROM EP	A: OTHER	FUELS		_	T	_	1	166	· .
Dollars		27 \$		\$		\$ -	18	-	\$	3.27	
Donais	1			<u> </u>			Ť		<u> </u>		
ALLOWANCES From Market:	FROM PURCE	ASES:		2			T		1		
Quantity	-	0	0		0		+-	0	-	0	
Dollars	\$			\$		\$ -	\$		\$		
\$/Allowance	\$		-	\$		\$ -	\$		\$		
				<u>, , , , , , , , , , , , , , , , , , , </u>		1		··			to the second se
From KU:		1					T		1		
Quantity		0	0		0	()	0	1	0	
Dollars	\$	- \$	-	\$	-	\$ -	\$	-	\$	-	
\$/Allowance	\$	- \$	-	\$	_	\$ -	\$	-	\$	-	
									•		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of April 2010

,	Beginning	Allocations/	Utilized	Utilized	0.11	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
		S IN INVENTORY	, ALL CLASSIFIC				
Quantity	10,735	0			0	9,705	
Dollars	\$ -	\$ -	\$ -		\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -		\$ -	\$	
		•					
	LOWANCES FRO	OM EPA: COAL F		·			
Quantity	10,615	-	1,029		-	9,586	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
				<u> </u>	<u> </u>]	
	LOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	120	-		· 1		119	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	FROM PURCHAS	ES:			_		
From Market:							
Quantity	0						
Dollars	\$ -	\$ -	-	\$	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -		\$		
		1			_		
							•
		1 0	· C	0	0	0	
Quantity	0						
From KU: Quantity Dollars \$/Allowance	0 \$ - \$ -	\$ -	\$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2010

Environmental C	ompliance Plan	
O&M Expenses	Amo	unt
11th Previous Month	\$	443,322
10th Previous Month		575,403
9th Previous Month		425,094
8th Previous Month		508,389
7th Previous Month		601,705
6th Previous Month		371,225
5th Previous Month		370,063
4th Previous Month		611,664
3rd Previous Month		435,407
2nd Previous Month		468,423
Previous Month		583,346
Current Month	·	757,288
Total 12 Month O&M	\$	6,151,329

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$		6,151,329			
One Eighth (1/8) of 12 Month O&M Expenses		1/8				
Pollution Control Cash Working Capital Allowance	\$		768,916			

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables		190,602,87	76,259.08	266,861,95
506105 - NOx Operation - Labor and Other		7,911.20	6,647.81	14,559.01
512101 - NOx Maintenance		29,168.71	51,000.61	80,169.32
Total 2001 Plan O&M Expenses		227,682.78	133,907.50	361,590.28
2005 Plan				
502006-Scrubber Operations	Elling on Arminoton strength of the contract		39,926.08	39,926.08
512005-Scrubber Maintenance			60,625.96	60,625.96
Ashpond Dredging Expense		171,471.16		171,471.16
Total 2005 Plan O&M Expenses		171,471.16	100,552.04	272,023.20
2006 Plan	•			
506109 - Sorbent Injection Operation	Territoria de la compania de la comp	-	123,147.44	123,147,44
512102 - Sorbent Injection Maintenance			527.24	527,24
506110 - Mercury Monitors Operation	_	-	_	-
512103 - Mercury Monitors Maintenance	-	_		· -
502006 - Scrubber Operations				-
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation — Consumables			-	
506105 - NOx Operation — Labor and Other			-	-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon				-
512011 - Precipitator Maintenance			-	_
Total 2006 Plan O&M Expenses	- [\$	-	123,674.68	123,674.6
2009 Plan	·			
502012 - ECR Landfill Operations	_		-	-
512105 - ECR Landfill Maintenance	_		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		- 1	
Net 2009 Plan O&M Expenses			-	-
Current Month O&M Expense for All Plans	<u> </u>	399,153,94 [358,134.22	757.288.1

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2010

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	- \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2010

Third	CONTRACTOR			10016
Party	O&M Expense Account	Plant	Tota	ıl O&M
Total Monthly Benef	ficial Reuse Expense		\$	-
Adjustment for Bene	ficial Reuse in Base Rates (from ES Form 2.	61)	\$	-
Net Beneficial Reuse	O&M Expense		\$	-

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2010

Car	ne Run	M	ill Creek	Trimble	e County	Total
						<u> </u>
\$	-	\$.	-	\$		
\$		\$		\$		
\$	_	\$	_	\$		
				1	·	
\$	_	\$	_	\$	-	
\$	-	\$		\$		
\$		\$	-	\$		
		\$		\$	-	
\$	_	\$	-	\$		
				ļ		
<u> </u>		1.0		1.6		\$ -
	\$ \$ \$ \$ \$ \$	\$ - \$ - \$ - \$ - \$ -	\$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ \$ - \$ - \$ \$ - \$ - \$ \$ - \$ - \$ \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2010

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,452
Jun-09		4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,685
Jul-09		2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,631
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
for 12 Months End	Jurisdictional Revenues, l ling Current Expense Mo	nth.				\$ 64,004,468			
	cation Percentage for Cu Kentucky Jurisdictional F				(7) / Column (10) =	٨			84.15%
							Note 1 - Exclude To	s Brokered Sales, tal for Current Month =	\$ 230,928.00

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2010

	Revenues per	R	evenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 54,875,216	\$	54,875,216
Fuel Adjustment Clause	\$ 255,564	\$	255,564
DSM	\$ 1,224,291	\$	1,224,291
Environmental Surcharge		\$	(197,282)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 56,355,072		
Non -Jurisdictional Revenues InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 10,615,394	\$	10,615,394
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 10,615,394	Ψ	10,015,574
Total Company Revenues for Environmental Surcharge Purposes =	66,970,466		
Reconciling Revenues			
Brokered	\$ 230,928	\$	230,928
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	1,529,476
Miscellaneous		\$	1,162,622
Total Company Revenues per Income Statement =		\$	69,696,210



an **@-011** company

RECEIVED

JUN 18 2010

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

June 18, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after June 29, 2010.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of May 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 1,031,640

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

1.61%

Effective Date for Billing: July billing cycle beginning June 29, 2010

Submitted by: _

Title: Director, Rates

Date Submitted: June 18, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2010

Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Reneficial Reuse Operating Expenses

		Environmental Compliance Plant			
(4) OE	DR - DR) (TR / (1 - TR)))	= = = = = = = = = = = = = = = = = = = =	\$	238,038,338 19,836,528 10,97% 1,280,583	
(5) BAS (6) BR:		=		- ,	
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$	3,456,650	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(0)	THE TABLE PROPERTY OF THE TOP OF		050601
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	85,36%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	2,950,596
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	390,130
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	3,340,726
(13)	Revenue Collected through Base Rates	= \$	2,309,086
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue	f	1 021 640
	Collected Through Base Rates [(12) - (13)]	= \$	1,031,640
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12		
	Months Ending with the Current Expense Month ES Form 3.00	= \$	64,093,415
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	1.61%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2010

Determination of Environmental Compliance Rate Base

	Enviroment	al Com	pliance Plan
Eligible Pollution Control Plant	\$ 248,446,37	5	
Eligible Pollution CWIP Excluding AFUDC	48,136,18	5	
Subtotal		\$	296,582,561
Additions:	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-		
Cash Working Capital Allowance	769,47	3	
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal			769,473
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	43,404,879		
Pollution Control Deferred Income Taxes	15,908,817		
Subtotal			59,313,696
Environmental Compliance Rate Base		\$	238,038,338

Determination of Pollution Control Operating Expenses

Determination of Fonction Concrete Operating Expenses	
	Enviromental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 447,773
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	` -
Amortization of Monthly Mill Creek Ash Dredging	_ N
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,280,583

Determination of Beneficial Reuse Operating Expenses

	Environme	ental
	Compliance	Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
	100	
Net Beneficial Reuse Operations Expense	 \$	-

Proceeds From By-Product and Allowance Sales

	Total	Amo	ount in		Net
	Proceeds	Base	Rates	P	roceeds
	 (1)		(2)	(1) - (2)
Allowance Sales	\$ -	\$	-	\$	-
Scrubber By-Products Sales					-
Total Proceeds from Sales	\$ -	\$	-	\$	-

ES Form 2.10 Page 1 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2010

(1)	(2)	(3)			(4)		(5)		(6)	(7)		(8)		(9)
Description	Pla	gible nt In vice	Eligible Accumulate Depreciatio		Ex	CWIP Amount xcluding AFUDC		Eligible Net Plant In Service	Tax	eferred Balance as of 31/2010	Monthly ITC Amortization Credit	De	Monthly epreciation Expense		Monthly roperty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	92,860,844	\$ 37,7	43,749	\$	-	\$	155,117,095	\$	13,988,953		\$	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting	\$	92,860,844		43,749		-	\$	155,117,095	}	13,988,953		S	617,234		19,775
from implementation of 2001 Plan	s	(5,850,965)	\$ (2,9	14,284)	\$	-	\$	(2,936,681)	\$	(1,053,265)		\$	(13,202)	\$	(341)
Net Total - 2001 Plan:	\$	187,009,879	\$ 34,8	29,465	\$		\$	152,180,414	\$	12,935,688		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4		30,861,686 11,929,133 1,197,310 2,734,620	\$ 2,7 \$ 4	30,433 83,026 21,563 83,362	\$ \$	- - - -	\$ \$ \$	21,631,253 9,146,107 775,747 1,551,258	\$ \$	1,070,828 939,337 30,370 79,964		\$ \$ \$	103,474 47,792 3,702 8,614	\$	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s s	46,722,749 (7,839,520)	,-	518,384 565,432)		-	\$	33,104,365	l .	2,120,499 (796,041)		\$	163,582 (27,125)	1	4,240
Net Total - 2003 Plan:	\$	38,883,229	\$ 6,9	52,952	\$		\$	31,930,277	\$	1,324,458		.\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077 17,857,360 (1,191,665)	\$ 2 \$ 5 \$ 5 \$ 1,0	36,775	\$ \$ \$ \$ \$	1,367,011 54,540 - - - - - 1,421,551	\$ \$ \$ \$	5,626,111 4,522,919 775,893 271,732 - 6,262,964 17,459,619 (643,598)	\$ \$ \$ \$	208,630 233,484 69,262 17,519 - 964,798 1,493,692 (131,696)		\$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 22,206 44,055	\$ \$ \$ \$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan:	- \$	16,665,695		271,224	6	1,421,551	1	16,816,022	1	1,361,996	-	\$	40,616	16	2,11

ES Form 2.10 Page 2 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2010

(1)		(2)		(3)		(4)	 (5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2010	Monthly ITC Amortization Credit	E	Monthly Depreciation Expense		Monthly roperty Tax Expense
							(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$	180,855 113,491 56,891	\$	44,424,409 198,420 - -	44,424,409 3,457,641 1,936,855 340,260	\$ \$	184,079 36,427 66,169		\$ \$ \$. 9,777 8,867 1,361	\$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	5,887,574	\$	351,238 -	\$	44,622,829	\$ 50,159,165	\$	286,675		\$	20,005	\$	6,145
Net Total - 2006 Plan:	\$	5,887,574	\$	351,238	\$	44,622,829	\$ 50,159,165	\$	286,675	1	\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$	-	\$ \$ \$	270,023 1,032,852 788,930	270,023 1,032,852 788,930	\$	-		\$ \$ \$	- - -	\$ \$ \$	33 120 - -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	2,091,805	\$ 2,091,805	\$	-		\$		s s	153
Net Total - 2009 Plan:	\$	-	\$		\$	2,091,805	\$ 2,091,805	\$		İ	\$		\$	153
			I							<u> </u>	I			
Net Total - All Plans:	\$	248,446,376	\$	43,404,879	\$	48,136,185	\$ 253,177,682	\$	15,908,817		<u> </u>	801,110	\$	31,700

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2010

Vintage Year	Nur	nber of Allowand	ces		otal Dollar Value Of Vinta	age Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	163,426	8,496	6,434	\$ 3,696.	6 \$ -	- \$ 126.75	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379				1		
2021	62,379						
2022	62,379						
2023	62,379					<u> </u>	
. 2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
. 2029	62,379						
2030 - 2039	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCE			ATIONS			
Quantity	166,486		3,060	0			
Dollars	\$ 3,765.58		\$ 69.22		\$ -	\$ 3,696.36	
\$/Allowance	\$ 0.02	-	\$ 0.02		\$ -	\$ 0.02	
	LLOWANCES FRO				·		
Quantity	157,948		3,015			154,933	
Dollars	\$ 3,572.47		\$ 68.21	\$ -		\$ 3,504.26	
	1		<u> </u>		1		
	LLOWANCES FRO					T	
Quantity	8,538		45		-	8,493	
Dollars	\$ 193.11	\$ -	\$ 1.01	-	-	\$ 192.10	
		<u></u>	<u> </u>	<u> </u>	<u> </u>		
	~~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~	· · · ·	÷				
	FROM PURCHAS	SES:		Ţ	1		
From Market:	<u> </u>						
Quantity	-	-	-			-	
Dollars	\$ -		\$	-	\$ -	\$ -	
\$/Allowance	\$ -	-			\$	\$ -	
		,				7	
From KU	<u> </u>						
Quantity	<u> </u>	ļ	ļ <u>.</u>	<u> </u>		-	
Dollars		\$	\$ -	-	\$ -	\$ -	
\$/Allowance	-			-			
l							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of May 2010

TOTAL EMISSION Quantity Dollars \$ \$/Allowance \$	7,643	S IN INVENTORY	ALL CLASSIFIC				
Quantity Sollars \$	7,643			CATIONS			·
Dollars \$		U			0	6,434	
S/Allowance S	170.71	\$ -	\$ 23.60		\$ -	\$ 126.75	
	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
ALLOCATED ALL	OWANCES FRO	M EPA: COAL F	TUEL				
Quantity	7,477	_	1,198	-	_	6,279	
Dollars 5	\$ 147.30	\$ -	\$ 23.60	\$ -	\$ -	\$ 123.70	
ALLOCATED ALL Quantity	OWANCES FRO	M EPA: OTHER	FUELS -	11		155	
Dollars 5	\$ 3.27	\$ -	\$ -	\$. 0.22	\$ -	\$. 3.05	
\$/Allowance :	0 \$ - \$ -	0 \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	
Quantity	0	0	. () (0	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Hivelitory	1 til Citases	(Coarruct)	(Other ruess)	5014	I mivemory	baic Baic & Vinago Tours
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	TATIONS			
Quantity	9,705				0	8,496	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	-	\$ -	\$ -	\$ -	\$ -	
финоманос	1 4	ΙΨ	1.4	1 -	1 4	1 4	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL I	TUEL				
Quantity	9,586		1,198	_	-	8,388	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		0.55					
	LLOWANCES FR		FUELS		T		
Quantity	119		<u> </u>	11		108	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<u> </u>	L		<u> </u>	<u></u>	<u> </u>	
	TO ONE DATE OF L						
	FROM PURCHAS	ES:	1		т	Т	·
From Market:					ļ		
Quantity	0						
Dollars	\$ - \$ -		\$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	
\$/Allowance	\$ -	\$ -	-	-			
From KU:	T	Т.	1	Τ	1	T-	1
Quantity		+	0	0	1 0	0	
Dollars	\$ -	\$ -	' s -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ψ/Σ1110 Walloc	ΙΨ -	1 4	1 9 -	ΙΨ -	1 ^y	ΙΨ	
						· · · · · · · · · · · · · · · · · · ·	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2010

Environmental Complia	nce Plan	
O&M Expenses		Amount
11th Previous Month	\$	575,403
10th Previous Month		425,094
9th Previous Month		508,389
8th Previous Month		601,705
7th Previous Month		371,225
6th Previous Month		370,063
5th Previous Month		611,664
4th Previous Month		435,407
3rd Previous Month		468,423
2nd Previous Month		583,346
Previous Month		757,288
Current Month		447,773
Total 12 Month O&M	\$	6,155,780

Determination of Working Capital Allowance											
12 Months O&M Expenses	\$		6,155,780								
One Eighth (1/8) of 12 Month O&M Expenses		1/8									
Pollution Control Cash Working Capital Allowance	· \$		769,473								

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2010

O&M Expense Account	* Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables		193,405,76	47,015.69	240,421.45
506105 - NOx Operation Labor and Other	30.00	5,455.69	3,793.15	9,248.84
512101 - NOx Maintenance		5,738.23	8,608.34	14,346.57
Total 2001 Plan O&M Expenses	<u> </u>	204,599.68	59,417.18	264,016.86
2005 Plan				•
502006-Scrubber Operations	West Control of the C		36,992.82	36,992.82
512005-Scrubber Maintenance			58,311.63	58,311.63
Ashpond Dredging Expense		- 2	100	-
Total 2005 Plan O&M Expenses		-	95,304.45	95,304.45
2006 Plan				
506109 - Sorbent Injection Operation		-	88,398.15	88,398.15
512102 - Sorbent Injection Maintenance		-	53.54	53.54
506110 - Mercury Monitors Operation	-	-	-	_
512103 - Mercury Monitors Maintenance	_	- 1	-	-
502006 - Scrubber Operations	14.6		-	-
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation — Consumables	- ₩		- 1	-
506105 - NOx Operation — Labor and Other			-	
512101 - NOx Maintenance			-	
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance	831943 10 31 10 10 10 10 10 10 10 10 10 10 10 10 10		-	-
Total 2006 Plan O&M Expenses	\$ -	_	88,451.69	88,451.6
2009 Plan				
502012 - ECR Landfill Operations			- 1	-
512105 - ECR Landfill Maintenance	-	74	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			-
Net 2009 Plan O&M Expenses	<u> </u>			
Current Month O&M Expense for All Plans	16	204,599,68	243.173.32	447,773.0

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2010

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
This con Discount Parallel or (Day 2000 Discount of		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	-	
(2) Monthly Amount [(1) / 12]	\$ -	-
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
	Φ.	ф
(4) Monthly Expense [(2) + (3)]	-	-
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	- \$	-
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
		,
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	<u> </u>

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2010

Third Party	O&M Expense Account	Plant	Total O&M
Total Monthly Ben	neficial Reuse Expense		\$ -
Adjustment for Ber	\$ -		
Net Beneficial Reu	\$ -		

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2010

On-Site CCP Disposal O&M Expense	Car	ne Run		Mill Creek	Trimb	Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			<u> </u>				
(1) 12 Months Ending with Expense Month	\$		\$	_	\$	-	
(2) Monthly Amount [(1) / 12]	\$	_	\$	_	\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$		\$	_	\$	-	
Total Beneficial Reuse - Generating Station					-		
(4) Monthly Expense [(2) + (3)]	\$	_	\$	_	\$		
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	_	\$	-	\$	- 1	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	<u>-</u>	\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	_	\$		
If Line (8) Greater than Zero, No Adjustment	_		-				
If Line (8) Less than Zero, Adjustment for Base Rates			1				
Adjustment for Base Rate Amount (to ES Form 2.60)	<u></u>		T\$	-	T \$	- [\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2010

	Kentucky Jurisdictional Revenues						Non- Jurisdictional Revenues	Total Company Revenues	
(1)	(2)	. (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2) L(4) L(5)	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
Jun-09	66,018,892	4,900,967	940.243	1,535,289	(2)+(3)+(4)+(5) 73,395,391	(6)-(5) 71,860,102	(See Note 1) 7,917,583	(6)+(8) 81,312,974	(9)-(5)
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,023	7,698,609	88,238,099	79,777,685 86,881,631
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,104	6,731,611	82,977,207	82,141,714
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,805	7,998,118	76,335,233	75,998,923
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09		(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,145	67,641,718
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
for 12 Months Endi	ing Current Expense Mor					\$ 64,093,415		in a second	
		rrent Month (Environmen Levenues Divided by Expe			(7) / Column (10) =				85.36%
r Nasanii Nasanii						AND SECTION OF THE PERSON OF T	Note 1 - Excludes To	s Brokered Sales, tal for Current Month =	\$ 221,498.96

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2010

]	Revenues per		Revenues per	
	L	Form 3.00	Income Statement		
Kentucky Retail Revenues					
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	54,313,958	\$	54,313,958	
Fuel Adjustment Clause	\$	1,317,675	\$	1,317,675	
DSM	\$	1,218,972	\$	1,218,972	
Environmental Surcharge			\$	572,800	
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	56,850,605			
Non -Jurisdictional Revenues InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	9,752,830	\$	9,752,830	
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	9,752,830			
Total Company Revenues for Environmental Surcharge Purposes =	\$	66,603,436		-	
Reconciling Revenues	 	221 400	<u> </u>	221 400	
Brokered Lt. Control (Transis in Paris II)	\$	221,499	\$	221,499	
InterSystem (Transmission Portion Booked in Account 447)	1-		\$	11.555.010	
Unbilled	 		\$	11,555,913	
Miscellaneous	 		\$	1,141,443	
Total Company Revenues per Income Statement =	<u>L</u>		\$	80,095,090	



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

JUL 19 2010

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

July 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after July 29, 2010.

It has come to my attention that expenses associated with Scrubber Maintenance were inadvertently included on ES Form 2.50 for the expense months of March, April, and May 2010. Attached to this letter are revised ES Forms 2.50, 2.40, 2.00, and 1.10 for each month, reflecting the correction. The cumulative effect on Net Jurisdictional E(m) is a reduction of \$178,957. The impact of the over-collection is reflected on ES Form 1.10 in the June 2010 expense month filing.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of June 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue

Collected Through Base Rates -- ES Form 1.10, line 14 =

(69,298)

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

-0.11%

Effective Date for Billing: August billing cycle beginning July 29, 2010

Submitted by:

Title: Director, Rates

Date Submitted: July 19, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of June 2010

Calculation of Total E(m)

	E(m) = [(RB / 12)]	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
	RB	. =	Environmental Compliance Rate Base
	ROR	===	Rate of Return on the Environmental Compliance Rate Base
	DR	=	Debt Rate (both short-term and long-term debt)
	TR	=	Composite Federal & State Income Tax Rate
	OE	=	Pollution Control Operating Expenses
	BAS	===	Total Proceeds from By-Product and Allowance Sales
•	BR	=	Beneficial Reuse Operating Expenses

		-		Environmental Co	mpliance Plans
(1) (2)	RB RB / 12		. = =	\$	238,182,734 19,848,561
(3)	(ROR + (ROR - DR))(TR)	/(1 - TR)))	=		10.97%
(4)	OE BAS		=		1,258,869
(6)	BR		=		-
(7)	E(m)	(2) \times (3) + (4) - (5) + (6)	=	\$	3,436,256

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= = \$	93.53%
(10) (11) (12)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= -	(178,957) 3,034,973
(13)	Revenue Collected through Base Rates	= \$	3,104,271
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(69,298)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	64,794,282
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	-0.11%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2010

Determination of Environmental Compliance Rate Base

	Enviromental Cor	npliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	49,287,181	
Subtotal	Section 1	297,733,557
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Cash Working Capital Allowance	725,008	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal	4.	725,008
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	44,249,755	
Pollution Control Deferred Income Taxes	16,026,076	
Subtotal		60,275,831
Environmental Compliance Rate Base	\$	238,182,734

Determination of Pollution Control Operating Expenses

		omental
Monthly Operations & Maintenance Expense	\$	426,059
Monthly Depreciation & Amortization Expense		801,110
less investment tax credit amortization		-
Monthly Property and Other Applicable Taxes		31,700
Monthly Insurance Expense		-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		-
Monthly Permitting Fees		-
Amortization of Monthly Mill Creek Ash Dredging		-
Less: Operating Expenses Associated with Retirements or Replacements		-
Occuring Since Last Roll-In of Surcharge into Existing Rates		
Total Pollution Control Operations Expense	\$	1,258,869

Determination of Beneficial Reuse Operating Expenses

	Env	ronmental
	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
		200
Net Beneficial Reuse Operations Expense	\$	_

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
· ·	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

ES Form 2.10 Page 1 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)	ļ.	(8)		(9)
Description	P	ligible lant In ervice		Eligible · Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Та	Deferred ax Balance as of 5/30/2010	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	192,860,844	\$	38,360,983	\$	-	\$	154,499,861	\$	14,055,769		\$	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	192,860,844 (5,850,965)		38,360,983 (2,914,284)			\$	154,499,861 (2,936,681)		14,055,769 (1,053,265)		s s	617,234 (13,202)		19,775 (341)
Net Total - 2001 Plan:	\$.	187,009,879	\$	35,446,699	\$		\$	151,563,180	\$	13,002,504		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	30,861,686 11,929,133 1,197,310 2,734,620	\$ \$	9,333,907 2,830,819 425,265 1,191,976	\$ \$	- - - -	\$ \$ \$	21,527,779 9,098,314 772,045 1,542,644	\$	1,078,031 938,878 30,685 80,568		\$ \$ \$	103,474 47,792 3,702 8,614	\$ \$	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	46,722,749 (7,839,520)	\	13,781,966 (6,665,432)	1	-	\$	32,940,783 (1,174,088)	1	2,128,162 (796,041)		s s	163,582 (27,125)		4,240 (387
Net Total - 2003 Plan:	\$	38,883,229	\$	7,116,534	\$	-	\$	31,766,695	\$	1,332,121		\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077	\$ \$ \$	357,748 270,586 76,772 37,922 - 1,120,319	\$ \$ \$ \$	1,507,194 66,634 - - - 1,573,828	\$ \$ \$ \$ \$	5,756,554 4,526,616 773,328 270,585 - 6,240,758	\$ \$ \$ \$	214,191 239,929 71,315 17,689 - 981,828		\$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$	700 564 99 35 - 797 2,193
from implementation of 2005 Plan	\$	(1,191,665)		(548,068)		-	\$	(643,598)		(131,696)	<u> </u>	s	(3,438		(8)
Net Total - 2005 Plan:	\$	16,665,695	\$	1,315,279	\$	1,573,828	\$	16,924,244	\$	1,393,256		\$	40,616	\$	2,11

ES Form 2.10 Page 2 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 6/30/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal Less Retirements and Replacement resulting	\$ 3,440,07 \$ 2,050,34 \$ 397,15 \$.5,887,57	5 \$ 122,358 1 \$ 58,252	S S - 2 S -	\$ 3,553,643 \$ 1,927,988 \$ 338,899	3 \$ 192,759 3 \$ 38,229 9 \$ 67,207		\$ - \$ 9,777 \$ 8,867 \$ 1,361	\$ 248 \$ 43
from implementation of 2006 Plan	\$ -	\$ -	s -	\$ -	\$ -		s -	s -
Net Total - 2006 Plan:	\$ 5,887,57	4 \$ 371,242	2 \$ 45,177,320	50,693,652	2 \$ 298,195		\$ 20,005	\$ 6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ 298,307 \$ 1,321,507 \$ 916,219 \$ -	\$ 1,321,500	7 \$ -		\$ - \$ - \$ - \$ -	\$ 33 \$ 120 \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ - \$ -	\$ - \$ -	\$ 2,536,033 \$ -	\$ 2,536,03	\$ - \$ -		\$ -	\$ 153 \$ -
Net Total - 2009 Plan:	Îs -	\$ -	\$ 2,536,033	3 \$ 2,536,03	3 \$ -		\$ -	\$ 153
N. T. J. All Di		14 24 25	5 0 40 005 10	T	1600607	<u> </u>		
Net Total - All Plans:	\$ 248,446,37	6 \$ 44,249,75	5 \$ 49,287,18	1 \$ 253,483,80	3 \$ 16,026,076	<u> </u>	\$ 801,11	31,700

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: June 30, 2010

Vintage Year	Nun	nber of Allowand	es	Tota	al Dollar Value Of Vint	age Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
	. [Annual	Ozone Season		Annual	Ozone Season	
Current Year	159,801	7,097	5,035	\$ 3,614.36	\$	- \$ 99.20	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379		·				
2016	62,379						
2017	62,379				- 1	,	
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2040	686,169						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2010

1	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	inventory	Fulchases	(Coar ruer)	(Other Fuels)	Soid	I Hiveritory [Sale Date & Village Tears
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	. ALL CLASSIFIC	ATIONS			
Quantity	163,426		3,625	0	0	159,801	
Dollars	\$ 3,696.36		\$ 82.00	\$ -	\$ -	\$ 3,614.36	
\$/Allowance	\$ 0.02		\$ 0.02	\$ -	\$ -	\$ 0.02	
	LLOWANCES FR						
Quantity	154,933		3,584			151,349	
Dollars	\$ 3,504.26	\$ 0.02	\$ 81.08	\$ -	\$ -	\$ 3,423.20	
			<u> </u>		<u> </u>		
	ALLOWANCES FR				т	1	
Quantity	8,493		41	-	-	8,452	
Dollars	\$ 192.10	\$ (0.02)	\$ 0.92		\$ -	\$ 191.16	
			L	1			
ATTOWANCE	S FROM PURCHA	ere.					
From Market:	5 FROM I ORCHA	3E3.		1	1	1	
Quantity					-	 	
Dollars	\$ -	\$ -	\$ -	\$ -		s -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	\s\ -	
WIT THO WATER		1.*	<u> </u>		1.º	⊥ "	I
From KU	<u> </u>	T	T		T	T	
Quantity		 	 	_	-		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TILL TIME				1 *	T	1 *	1

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of June 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,434	0	1,382	17	0		
Dollars	\$ 126.75		\$ 27.22	\$ 0.33		\$ 99.20	<u> </u>
\$/Allowance	\$ 0.02	-	\$ 0.02	\$ 0.02		\$ 0.02	
	LLOWANCES FR			_		· · · · · · · · · · · · · · · · · · ·	
Quantity	6,279		1,382	-	-	4,897	
Dollars	\$ 123.70		\$ 27.22	\$ -	\$ -	\$ 96.48	
	<u> </u>						
	LLOWANCES FR		FUELS	_			
Quantity	155			17		138	
Dollars	\$ 3.05	\$ -	\$ -	\$ 0.33	\$ -	\$ 2.72	
		<u> </u>	<u> </u>		<u> </u>	J	
			•				
	FROM PURCHAS	SES:					
From Market:			ļ			<u> </u>	
Quantity	. 0			0	0		
Dollars	\$ -	\$ -	\$ -	-	\$ -		
\$/Allowance			-	-	-		
				_			
From KU:			 	 	ļ		
Quantity							
Dollars	\$ -	\$ -	-	-	\$ -	\$ -	
\$/Allowance	\$ -		-	-	-	\$ -	
							 ·
<u> </u>							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	2010	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	8,496	0	1,382	17	0	7,097	
Oollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
/Allowance	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	8,388		1,382	_	-	7,006	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
							·
ALLOCATED A	ALLOWANCES FR		FUELS -	17	T -	91	
	100	1 -	1 -	1 /	1 -	1 21	ì
Callera	0	•	0	0	0	0	
Oollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCE	S FROM PURCHAS		\$ -	\$ -	\$ -	\$ -	
ALLOWANCE rom Market:		SES:					
ALLOWANCE rom Market: Quantity	S FROM PURCHA	SES:	0	0	0	0	
ALLOWANCE rom Market:	S FROM PURCHAS	SES:		0	0 \$	0	
ALLOWANCE from Market: Quantity Dollars	S FROM PURCHAS	SES: 0 0 \$ -	0 \$ -	0 \$ -	0	0 \$ -	
ALLOWANCE: Tom Market: Quantity Dollars \$/Allowance	S FROM PURCHAS	SES: 0 0 \$ -	0 \$ -	0 \$ -	0 \$	0 \$ -	
ALLOWANCE from Market: Quantity Dollars	S FROM PURCHAS	SES: 0 0 \$ - \$ -	0 \$ -	0 \$ - \$ -	0 \$ -	0 \$ -	
ALLOWANCE: from Market: Quantity Dollars \$/Allowance	S FROM PURCHAS	SES: 0 0 \$ - \$ -	0 \$ -	0 \$ - \$ -	0 \$ -	0 \$ -	
ALLOWANCE: rom Market: Quantity Dollars \$/Allowance From KU: Quantity	S FROM PURCHAS S - S - C C C C C C C C C C C C C C C C	SES: 0 \$ - \$ -	0 \$ - \$ -	0 \$ -	0 \$ - \$	0 \$ -	
ALLOWANCE: rom Market: Quantity Dollars \$/Allowance from KU: Quantity Dollars	S FROM PURCHAS	SES: 0 \$ - \$ - \$ - \$ -	0 \$ -	0 \$ -	0 \$ -	0 \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2010

Environmental Compliance Plan						
O&M Expenses		Amount				
11th Previous Month	\$	425,094				
10th Previous Month		508,389				
9th Previous Month		601,705				
8th Previous Month		371,225				
7th Previous Month		370,063				
6th Previous Month		611,664				
5th Previous Month		435,407				
4th Previous Month		468,423				
3rd Previous Month		495,912				
2nd Previous Month		696,662				
Previous Month		389,461				
Current Month		426,059				
Total 12 Month O&M	\$	5,800,064				

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		5,800,064					
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$		725,008					

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2010

101 Plan 506104 - NOx Operation — Consumables 506105 - NOx Operation — Labor and Other 512101 - NOx Maintenance Total 2001 Plan O&M Expenses 1005 Plan 502006-Scrubber Operations 512005-Scrubber Maintenance		158,865.61 5,687.16 47,626.15 212,178.92	43,794.25 4,154.60 11,079.81 59,028.66	202,659.86 9,841.76 58,705.96
506104 - NOx Operation — Consumables 506105 - NOx Operation — Labor and Other 512101 - NOx Maintenance Total 2001 Plan O&M Expenses 005 Plan 502006-Scrubber Operations		5,687.16 47,626.15	4,154.60 11,079.81	9,841.76 58,705.96
506105 - NOx Operation Labor and Other 512101 - NOx Maintenance Total 2001 Plan O&M Expenses 005 Plan 502006-Scrubber Operations		5,687.16 47,626.15	4,154.60 11,079.81	9,841.76 58,705.96
512101 - NOx Maintenance Total 2001 Plan O&M Expenses 005 Plan 502006-Scrubber Operations		47,626.15	11,079.81	58,705.96
Total 2001 Plan O&M Expenses 005 Plan 502006-Scrubber Operations				
005 Plan 502006-Scrubber Operations		212,178.92	39,028.00	271 207 50
502006-Scrubber Operations				271,207.58
	Marie and the sale of the sale			
512005-Scrubber Maintenance	6 a 2 a a a a a a a a a a a a a a a a a		19,518.71	19,518.71
			-	<u>-</u>
Ashpond Dredging Expense		- 6		-
Total 2005 Plan O&M Expenses	Section 12 Control 18 Control	- 1	19,518.71	19,518.71
006 Plan 506109 - Sorbent Injection Operation			94.801.41	94.801.41
512102 - Sorbent Injection Operation			260.79	260.79
506110 - Mercury Monitors Operation			200.79	200.79
512103 - Mercury Monitors Maintenance		40,271.00		40,271.00
502006 - Scrubber Operations		40,271.00		40,271.00
512005 - Scrubber Maintenance				
506104 - NOx Operation — Consumables				
506105 - NOx Operation — Labor and Other	 y22.5		-	
512101 - NOx Maintenance		and the second second		
506001 - Precipitator Operation				
506011 - Activated Carbon			-	
512011 - Precipitator Maintenance				
Total 2006 Plan O&M Expenses		40,271.00	95,062.20	135,333.20
009 Plan				
502012 - ECR Landfill Operations	-			_
512105 - ECR Landfill Maintenance			-	_
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	_
Net 2009 Plan O&M Expenses				<u> </u>
Current Month O&M Expense for All Plans		252,449,92 [173,609,57	426,059.49

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2010

xpense , Cane F	Run Trimble County
	Ф.
\$	- \$ -
\$	- \$ -
\$	- \$
Last Test Year) \$	- \$
\$	- \$ -
\$	- \$ -
\$	- \$ -
S	
	- : \$ -
	lect) \$ \$ \$ Last Test Year) \$ \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2010

Third Party	O&M Expense Account	Plant	Total O&M					
								
			-					
		·						
			1					
Total Monthly Bene	Total Monthly Beneficial Reuse Expense							
111111111111111111111111111111111111111	C 11B 2 B B 1 (6 BBB 2							
Net Beneficial Reuse	eficial Reuse in Base Rates (from ES Form 2 e O&M Expense	61).	\$ - \$ -					

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: June 30, 2010

On-Site CCP Disposal O&M Expense	Ca	ne Run	Mill C	reek	Trimble	e County	Total
The Description of the Colon Prince of the Col			1		1		
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			<u> </u>		 		
(1) 12 Months Ending with Expense Month	. \$		\$		\$		
(2) Monthly Amount [(1) / 12]	\$	-	\$		\$		
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	~	\$	-	
Total Beneficial Reuse - Generating Station					 		
(4) Monthly Expense [(2) + (3)]	\$		\$	-	\$		
Beneficial Reuse in Base Rates			 		 		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)) \$		\$	-	\$.	-	
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	_	\$	_	
(7) Total Generating Station Less Base Rates [(4) - (6)]			\$		\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	·	\$	_	\$		
If Line (8) Greater than Zero, No Adjustment			<u> </u>				
If Line (8) Less than Zero, Adjustment for Base Rates				1)			
Adjustment for Base Rate Amount (to ES Form 2.60)	18		T &		10	17	,

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2010

	Kentucky Jurisdictional Revenues							Total Compan	y Revenues	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge	
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)	
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539;490	79,183,022	7,698,609.	88,238,099	86,881,631	
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714	
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924	
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696	
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749	
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719	
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517	
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901	
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266	
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466	
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435	
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547	
for 12 Months End	Jurisdictional Revenues, I ling Current Expense Mo	nth.			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$ 64,794,282				
	cation Percentage for Cu Kentucky Jurisdictional R				(7) / Column (10) =		er ekonomistika in de		93.53%	
	Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) = Note 1 - Excludes Brokered Sales, Total for Current Month = \$									

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2010

	 Revenues per	. F	Revenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 76,709,495	\$	76,709,495
Fuel Adjustment Clause	\$ 1,581,038	\$	1,581,038
DSM	\$ 1,979,975	\$	1,979,975
Environmental Surcharge		\$	2,482,673
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 80,270,508		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 5,551,039	\$	5,551,039
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 5,551,039		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 85,821,547		
Reconciling Revenues			
Brokered	\$ 138,850	\$	138,850
InterSystem (Transmission Portion Booked in Account 447)		\$	
Unbilled		\$	7,986,514
Miscellaneous		\$	990,269
Total Company Revenues per Income Statement =		\$	97,419,852

Exhibit 1

Louisville Gas and Electric Company

Revisions to Net Jurisdictional E(m) for Expense Months March 2010 through May 2010

Attachment to Response to LGE KIUC-1 Question No. 19 Page 53 of 485 Conroy

Summary of Calculation of Prior Period Adjustment included in the June 2010 Expense Month Filing

	Change to Total	Retail Jurisdictional	Adjustment to Net		
Expense Month	E(m)	Allocation		E(m)	
March 2010	\$ (87,536)	88.90%	\$	(77,820)	
April 2010	\$ (60,798)	84.15%	\$	(51,161)	
May 2010	\$ (58,548)	85.36%	\$	(49,976)	
Total Adjustment for June 2	010 Expense Month	Filing:	\$	(178,957)	

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of March 2010 as Revised July 19, 2010

Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Reneficial Reuse Operating Expenses

		Envi				
(1) (2) (3)	RB RB / 12 (ROR + (ROR - DR) (TR / (1 - TR)))	= \$ = =	239,208,510 19,934,043 11,18%	\$	239,219,439 19,934,953 11.18%	\$ (10,929) (910)
(4)	OE	=	1,328,722		1,416,156	(87,434)
(5)	BAS	=	-		-	-
(6)	BR	=	-		-	-
(7)	E(m) (2) x (3) + (4) - (5) + (6)	. = \$	3,557,348	\$	3,644,884	\$ (87,536)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	88.90%	88.90%	
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) \times (8)]$	=	\$ 3,162,482	\$ 3,240,302	\$ (77,820)
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=	-		
(11)	Prior Period Adjustment (if necessary)	=	- 1	-	-
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$. =	3,162,482	3,240,302	(77,820)
(13)	Revenue Collected through Base Rates	=	\$ 2,590,497	\$ 2,590,497	-
(14).	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	. =	\$ 571,985	\$ 649,805	S (77,820)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 . Months Ending with the Current Expense Month ES Form 3.00	. =	\$ 63,776,579	\$ 63,776,579	
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	. 0.90%	1.02%	-0.12%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2010 as Revised July 19, 2010

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Pla	an
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	47,262,768	
Subtotal	\$ 295,70	9,144
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	717,321	
Deferred Debit Balance Mill Creek Ash Dredging	171,471	
Subtotal	88	8,792
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	41,715,128	
Pollution Control Deferred Income Taxes	15,674,298	
Subtotal	57,38	9,426
Environmental Compliance Rate Base	\$ 239,20	8,510.

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 324,441
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	Section 1980 Section 1
Total Pollution Control Operations Expense	\$ 1,328,722

Determination of Beneficial Reuse Operating Expenses

	Env	vironmental
·	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
		100
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Р	Total roceeds	1	ount in e Rates	Net Proceeds
	<u></u>	(1)	. Das	(2)	(1) - (2)
Allowance Sales	\$	-	\$	-	\$ -
Scrubber By-Products Sales		-		-	-
Total Proceeds from Sales	\$	-	\$	-	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2010 as Revised July 19, 2010

Environmental C	ompliance Plan	
O&M Expenses	Amount	
11th Previous Month	\$ 43	31,957
10th Previous Month	44	43,322
9th Previous Month	5′	75,403
8th Previous Month	. 42	25,094
7th Previous Month	50	08,389
6th Previous Month	60	01,705
5th Previous Month	37	71,225
4th Previous Month	37	70,063
3rd Previous Month	61	1,664
2nd Previous Month	43	5,407
Previous Month	46	8,423
Current Month	49	5,912
Total 12 Month O&M	\$ 5,73	8,564

Determination of Working Cap	oital Allowance
12 Months O&M Expenses	\$ 5,738,564
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 717,321

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2010 as Revised July 19, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables		103,404.68	62,005,20	165,409.88
506105 - NOx Operation — Labor and Other		3,358.50	4,985.93	8,344.43
512101 - NOx Maintenance	La transport	26,062,46	9,978.45	36,040.91
Total 2001 Plan O&M Expenses		132,825.64	76,969.58	209,795.22
2005 Plan				
502006-Scrubber Operations	***		43,087.59	43,087.59
512005-Scrubber Maintenance	34.5	The state of the s	ale dal ste distribution	radionistic interestina
Ashpond Dredging Expense	4.4	171,471.16	1	171,471.16
Total 2005 Plan O&M Expenses		171,471.16	43,087:59	214,558.75
2006 Plan				
506109 - Sorbent Injection Operation		-	71,514.31	71,514.31
512102 - Sorbent Injection Maintenance		-	43.74	43.74
506110 - Mercury Monitors Operation	-	-	-	-
512103 - Mercury Monitors Maintenance	-	-	-	-
502006 - Scrubber Operations	9 77 979	***	-	
512005 - Scrubber Maintenance			- 1	-
506104 - NOx Operation Consumables			-	-
506105 - NOx Operation — Labor and Other			-	-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	
512011 - Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$ -	-	71,558.05	71,558.05
2009 Plan				
502012 - ECR Landfill Operations	-		- 1	-
512105 - ECR Landfill Maintenance	-			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	_	-	
Net 2009 Plan O&M Expenses			-	
Current Month O&M Expense for All Plans		1 204 204 90	191,615.22	495 912.02

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of April 2010 as Revised July 19, 2010

Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	===	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	. =	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

			Environmental Compliance Plans	April 2010 · as filed	
() RB 2) RB/I2	= \$	238,586,409 19,882,201	\$ 238,604,916 19,883,743	\$ (18,507) (1,542)
()	i) OE	= =	11.18% 1,529,472 (189,461)	11.18% 1,590,098 (189,461)	(60,626)
() BR	=	-	(105,101)	-
((2) x (3) + (4) - (5) + (6)	= \$	3,941,763	\$ 4,002,561	\$ (60,798)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	84.15%		84.15%	
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	3,316,994	. \$	3,368,155	\$ (51,161)
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=	-			
(11)	Prior Period Adjustment (if necessary)	=	941,134		941,134	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= .	4,258,128		4,309,289	(51,161)
(13)	Revenue Collected through Base Rates	= \$	2,310,726	\$	2,310,726	\$ -
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,947,402	\$	1,998,563	\$ (51,161)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	64,004,468	\$	64,004,468	\$ -
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	3.04%		3,12%	-0.08%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2010 as Revised July 19, 2010

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Pl	an
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	47,741,186	
Subtotal	\$ 296,1	87,562
Additions:	10 To	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	- 200	
Cash Working Capital Allowance	750,409	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal	7:	50,409
Deductions:	And the second of the second o	
Accumulated Depreciation on Eligible Pollution Control Plant	42,560,004	200
Pollution Control Deferred Income Taxes	15,791,558	
Subtotal	58,33	51,562
Environmental Compliance Rate Base	\$ 238,58	36,409

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 525,191
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	<u>-</u>
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
,	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Total Pollution Control Operations Expense	\$ 1,529,472

Determination of Beneficial Reuse Operating Expenses

	Envi	ronmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	 \$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds (1)		A	mount in		Net
			В	ase Rates		Proceeds
			(1) (2)		(1) - (2)	
Allowance Sales	\$	34,460	\$	223,921	\$	(189,461)
Scrubber By-Products Sales		-				-
Total Proceeds from Sales	\$	34,460	\$	223,921	\$	(189,461)

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2010 as Revised July 19, 2010

Environmental	Compliance Plan
O&M Expenses	Amount
11th Previous Month	\$ 443,322
10th Previous Month	575,403
9th Previous Month	425,094
8th Previous Month	508,389
7th Previous Month	601,705
6th Previous Month	371,225
5th Previous Month	370,063
4th Previous Month	611,664
3rd Previous Month	435,407
2nd Previous Month	468,423
Previous Month	495,912
Current Month	696,662
Total 12 Month O&M	\$ 6,003,269

Determination of Working Cap	oital Allowance
12 Months O&M Expenses	\$ 6,003,269
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 750,409

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2010 as Revised July 19, 2010

			
Cane Run	Mill Creek	Trimble County	Total
	190,602.87	76,259.08	266,861.95
	7,911.20	6,647.81	14,559.01
Property and the Control of the Cont	29,168.71	51,000.61	80,169.32
li de la companya de	227,682.78	133,907.50	361,590.28
		39,926.08	39,926.08
		Angele Guiden and Albert Free August 1980	a Çarkin eye kaşırılı 24 ki
	171,471.16	(A)	171,471.16
	171,471.16	39,926.08	211,397.24
		•	
	-	123,147.44	123,147.44
70.00	_	527.24	527.24
-	-	-	_
-	-		-
		-	-
Paragraph and Paragraph		-	-
1		-	-
		-	-
	and the second second	-	-
		-	-
	10	-	-
		-	-
- \$	Ī .	123,674.68	123,674.68
-			
-		-	-
-			
	akisa kanan sa		
Te ====	399.153.94	297,508.26	696,662.20
		190,602.87 7,911.20 29,168.71 227,682.78 171,471.16 171,471.16	190,602.87

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

64,093,415

64,093,415 \$

-0.08%

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2010 as Refiled July 19, 2010

Calculation of Total E(m)

(15)

(16)

E(m) = [(RB / 12)]	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	==	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	==	Reneficial Reuse Operating Expenses

Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12

Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]

Months Ending with the Current Expense Month -- ES Form 3.00

	•		Environme	ental Compliance Plans	May 2010 as filed	
(1) I	RB	. =	\$	238,012,541	\$, ,	\$ (25,
	RB / 12	=		19,834,378	19,836,528	(2
	ROR + (ROR - DR) (TR / (1 - TR)))	=		10,97%	10.97%	,,,
	DE BAS	=		1,222,271	1,280,583	(58
	BR	=		-		
(7) E	i(m) (2) x (3) + (4) - (5) + (6)	=	\$	3,398,102	\$ 3,456,650	\$ (5
ırisdict	ional Environmental Surcharge Billing Factor					
urisdict (8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		85.36%	85,36%	
		=	\$	85.36% 2,900,620	\$ 85,36% 2,950,596	\$ (4:
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00		\$		\$	\$ (49
(8) (9)	Jurisdictional Allocation Ratio for Expense Month – ES Form 3.00 Jurisdictional $E(m) = E(m) \times J$ urisdictional Allocation Ratio [(7) x (8)]	=	\$	2,900,620	\$ 2,950,596	\$ (4
(8) (9) (10)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional $E(m) = E(m) \times \text{Jurisdictional Allocation Ratio} [(7) \times (8)]$ Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	\$	2,900,620	\$ 2,950,596	\$ (4
(8) (9) (10) (11)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) × Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary)	= = =	\$	2,900,620 390,130 -	\$ 2,950,596 390,130	

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2010 as Refiled July 19, 2010

Determination of Environmental Compliance Rate Base

	Enviromental Co	ompliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	100
Eligible Pollution CWIP Excluding AFUDC	48,136,185	
Subtotal	\$	296,582,561
Additions:	2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	- · · · · · · · · · · · · · · · · · · ·	
Cash Working Capital Allowance	743,676	
Deferred Debit Balance Mill Creek Ash Dredging	-	A Comment of the Comm
Subtotal		743,676
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	43,404,879	
Pollution Control Deferred Income Taxes	15,908,817	
Subtotal		59,313,696
Environmental Compliance Rate Base	\$	238,012,541

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 389,461
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,222,271

Determination of Beneficial Reuse Operating Expenses

	I	Environn	nental
	C	omplianc	e Plan
Total Monthly Beneficial Reuse Expense	\$	•	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			-
Net Beneficial Reuse Operations Expense	·\$		-

Proceeds From By-Product and Allowance Sales

		Total Proceeds		ount in	1	let
	Pro	(1)		e Rates	(1)	ceeds
Allowance Sales	\$	-	\$	-	\$	- (2)
Scrubber By-Products Sales						1
Total Proceeds from Sales	\$	-	\$	-	\$	-

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 2010 as Refiled July 19, 2010

Environmental Comp	liance Plan	
O&M Expenses		Amount
11th Previous Month	\$	575,403
10th Previous Month		425,094
9th Previous Month	·	508,389
8th Previous Month		601,705
7th Previous Month		371,225
6th Previous Month		370,063
5th Previous Month		611,664
4th Previous Month	·	435,407
3rd Previous Month		468,423
2nd Previous Month		495,912
Previous Month		696,662
Current Month		389,461
Total 12 Month O&M	\$	5,949,408

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$ 5,949,408									
One Eighth (1/8) of 12 Month O&M Expenses	1/8									
Pollution Control Cash Working Capital Allowance	\$ 743,676									

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 2010 as Refiled July 19, 2010

	T		T	
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan		102 405 76	47.015.69	240,421,45
506104 - NOx Operation — Consumables		193,405.76		
506105 - NOx Operation — Labor and Other	_	5,455.69	3,793.15	9,248.84
512101 - NOx Maintenance	_3.46 1.904 1.50	5,738.23	8,608.34	14,346.57
Total 2001 Plan O&M Expenses		204,599.68	59,417.18	264,016.86
2005 Plan				
502006-Scrubber Operations	Section of a company of the section of	100	36,992.82	36,992.82
512005-Scrubber Maintenance				
Ashpond Dredging Expense		<u>.</u>	100	-
Total 2005 Plan O&M Expenses			36,992.82	36,992.82
lanceni				•
2006 Plan 506109 - Sorbent Injection Operation			88,398.15	88,398.15
512102 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance		-	53.54	53.54
506110 - Mercury Monitors Operation		-	33.34	55.54
512103 - Mercury Monitors Maintenance		-		
502006 - Scrubber Operations		_		
512005 - Scrubber Operations 512005 - Scrubber Maintenance			-	· -
506104 - NOx Operation Consumables				
506105 - NOx Operation Consumables 506105 - NOx Operation Labor and Other	 2		-	
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	
506111 - Activated Carbon	— Kanada katawa katawa ka			
512011 - Activated Carbon 512011 - Precipitator Maintenance		and the second	-	
Total 2006 Plan O&M Expenses			88.451.69	88.451.69
Total 2000 Flan O&IVI Expenses		<u> </u>	88,431.09	88,431.09
2009 Plan				
502012 - ECR Landfill Operations	-		_	-
512105 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses			-	-
		204 500 20	104.021.20	200.4/1-2/
Current Month O&M Expense for All Plans		204,599.68	184,861.69	389,461.37

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

AECEIVED

AUG 20 2010

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

August 20, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after August 30, 2010.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of July 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

(397,817)

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

-0.60%

Effective Date for Billing: September billing cycle beginning August 30, 2010

Submitted by:

Title: Director, Rates

Date Submitted: August 20, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of July 2010

Calculation of Total E(m)

E(m) = [(RB / 12) (RC)]	DR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where	
RB	=	Environmental Compliance Rate Base	
ROR	=	Rate of Return on the Environmental Compliance	Rate Base
DR	=	Debt Rate (both short-term and long-term debt)	
TR	===	Composite Federal & State Income Tax Rate	
OE	=	Pollution Control Operating Expenses	
BAS .	==	Total Proceeds from By-Product and Allowance Sa	ales
BR	=	Beneficial Reuse Operating Expenses	•

				Environn	nental Compliance Plans
(1) (2) (3) (4) (5) (6)	RB RB / 12 (ROR + (ROR - DR) (7 OE BAS BR	TR / (1 - TR)))	: : :	\$	237,736,661 19,811,388 10,97% 1,252,614 97
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	3,425,827

Calculation of Jurisdictional Environmental Surcharge Billing Factor

1			i
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	92.29%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	3,161,696
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	3,161,696
(13)	Revenue Collected through Base Rates	= \$	3,559,513
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(397,817)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	65,947,483
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	-0.60%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of July 2010

Determination of Environmental Compliance Rate Base

	Enviromental Compl	iance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	49,803,903	
Subtotal	\$	298,250,279
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	724,347	
Deferred Debit Balance Mill Creek Ash Dredging	- 200	
Subtotal		724,347
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	45,094,630	
Pollution Control Deferred Income Taxes	16,143,335	
Subtotal		61,237,965
Environmental Compliance Rate Base	\$	237,736,661

Determination of Pollution Control Operating Expenses

		 romental iance Plan
Monthly Operations & Maintenance Expense		\$ 419,804
Monthly Depreciation & Amortization Expense		801,110
less investment tax credit amortization		 -
Monthly Property and Other Applicable Taxes		31,700
Monthly Insurance Expense		-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		-
Monthly Permitting Fees		-
Amortization of Monthly Mill Creek Ash Dredging		2
Less: Operating Expenses Associated with Retirements or Replacements		-
Occuring Since Last Roll-In of Surcharge into Existing Rates	·	
Total Pollution Control Operations Expense		\$ 1,252,614

Determination of Beneficial Reuse Operating Expenses

	Environmenta	al
	Compliance Pl	an
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds		1	ount in e Rates	Net Proceeds	
	(1)		(2)	(1) - (2)	
Allowance Sales	\$	97	\$	-	\$:	97
Scrubber By-Products Sales		-	,	-		-
Total Proceeds from Sales	\$	97	\$	-	\$	97

ES Form 2.10 Page 1 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2010

(1)		(2)		(3)		(4)		(5)	(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	192,860,844	\$	38,978,217	\$	-	\$	153,882,626	\$	14,122,584		\$	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	192,860,844 (5,850,965)		38,978,217 (2,914,284)		-	\$	153,882,626 (2,936,681)		14,122,584 (1,053,265)		\$	617,234 (13,202)		19,775 (341)
Net Total - 2001 Plan:	\$	187,009,879	\$	36,063,933	\$	-	\$	150,945,945	\$	13,069,319		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	30,861,686 11,929,133 1,197,310 2,734,620	\$ \$	9,437,381 2,878,611 428,966 1,200,590	\$	- - - -	\$ \$ \$	21,424,304 9,050,522 768,344 1,534,030	\$ \$	1,085,235 938,419 31,000 81,172		\$ \$ \$	103,474 47,792 3,702 8,614	\$ \$	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	46,722,749 (7,839,520)		13,945,548 (6,665,432)		-	\$	32,777,201 (1,174,088)	ļ	2,135,825 (796,041)	·	\$	163,582 (27,125)		4,240 (387
Net Total - 2003 Plan:	\$	38,883,229	\$	7,280,116	\$	-	\$	31,603,112	\$	1,339,784		\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	367,489 278,983 79,336 39,069 - 1,142,525	\$ \$ \$ \$	1,515,559 74,369 - - - - 1,589,929	\$ \$ \$ \$	5,755,178 4,525,955 770,764 269,439 - 6,218,552	\$ \$ \$ \$	219,752 246,374 73,367 17,860 998,859		\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$	700 564 99 35 - 797
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(1,191,665	\$	(548,068) \$	• -	\$	(643,598)	\$	(131,696)		\$	(3,438) \$	(80
Net Total - 2005 Plan:	S	16,665,695	18	1,359,334	İs	1,589,929	18	16,896,290	18	1,424,517	†	S	40,616	S	2,114

ES Form 2.10 Page 2 of 2

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)																		
Description		Eligible Plant In Service	Accu	igible mulated eciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2010	Monthly ITC Amortization Credit	ortization Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Depreciation		Pro	Monthly operty Tax Expense
								(2)-(3)+(4)																									
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$ \$ \$	200,408 131,225 59,613	\$	44,910,678 456,852 - -		44,910,678 3,696,520 1,919,121 337,538	\$ \$	201,438 40,032 68,244		\$ \$ \$	•	\$ \$ \$	5,441 414 248 43																		
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	5,887,5 <u>7</u> 4 -	\$	391,247 -	\$	45,367,530 -	\$ \$	50,863,857	\$	309,715		\$	20,005	\$	6,145																		
Net Total - 2006 Plan:	\$	5,887,574	\$	391,247	\$	45,367,530	\$	50,863,857	\$_	309,715		\$	20,005	\$	6,145																		
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$ \$	 - - -	\$ \$ \$	337,120 1,590,875 918,449 -	\$	337,120 1,590,875 918,449 -	\$	- - - -		\$ \$ \$ \$	- - - -	\$ \$ \$ \$	33 120 -																		
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	2,846,444	\$	2,846,444	\$	-		\$	-	\$	153																		
Net Total - 2009 Plan:	\$	-	\$		\$	2,846,444	\$	2,846,444	\$	-		\$	-	\$	153																		
					Ī		L																										
Net Total - All Plans:	\$	248,446,376	\$	45,094,630	\$	49,803,903	\$	253,155,650	\$	16,143,335		\$	801,110	\$	31,700																		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: July 31, 2010

Vintage Year	Number of Allowances			Γ	otal Doll	ar Value Of Vinta	age Ye	ar ·	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	
		Annual	Ozone Season			Annual		Ozone Season	
Current Year	150,145	5,711	3,649	\$ 3,395.9	6 \$		- \$	71.90	
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212		;				
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
. 2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030 - 2040	686,169				-]				

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIC	'	S IN INVENTORY	, ALL CLASSIFIC				,
Ouantity	159,801	0	3,956	0	5,700	150,145	
Dollars	\$ 3,614.36		\$ 89.48		\$ 128.92	\$ 3,395.96	
\$/Allowance	\$ 0.02		\$ 0.02		\$ 0.02		
ALLOCATED AI		OM EPA: COAL F					
Quantity	151,349	-	3,899		4,275	143,175	Sale of allowances to KU
Dollars ·	\$ 3,423.20	\$ 0.01	\$ 88.20	-	\$ 96.69	\$ 3,238.32	
•							<u> </u>
ALLOCATED AI	LLOWANCES FRO 8,452		57		1,425		Sale of allowances to KU
Dollars	\$ 191.16	\$ (0.01)	\$ 1.28	\$ -	\$ 32.23	\$ 157.64	
				·			
ALLOWANCES From Market:	FROM PURCHAS	ES:		Y			·
					 		
Quantity Dollars	- s -			- S -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4/Allowance	1 4	<u> </u>		Ι Ψ	ΙΨ	<u>-</u>	
From KU	T	T :-	T	T	T	T	T
Quantity				_	-		
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	1\$ -	\$ -	
4 210	L	1-	1.7	L		L	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of July 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	5,035				0	3,649	
Dollars	\$ 99.20		\$ 26.87		\$ -	\$ 71.90	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
	LLOWANCES FR						
Quantity	4,897		1,364		-	3,533	
Dollars	\$ 96.48	-	\$ 26.87	-	\$ -	\$ 69.61	
				<u> </u>			
	LLOWANCES FR		FUELS				
Quantity	138		-	. 22		116	
Dollars	\$ 2.72	\$ -	\$ -	\$ 0.43	\$ -	\$ 2.29	
	1	<u> </u>	L		<u> </u>	<u> </u>	
		~~~					
	FROM PURCHAS	SES:			·		<u> </u>
From Market:	· · · · · ·		·		-		
Quantity	0	<u> </u>				<del></del>	
Dollars	\$ -	\$ -	\$ -	-		\$ -	
\$/Allowance	\$ -	-		-		-	
C IZII		T				T	
From KU:			<del>                                     </del>		<del> </del>		· ·
Quantity	<u> </u>						
Dollars	\$ -	\$ -	\$ -		\$ -   \$ -	\$ -	
\$/Allowance	\$	-	\$ -	-	<u> </u>	-	
							•
				· ·			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of July 2010

-	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
				·			
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,097	0	-3	22	, 0	5,711	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	- \$	\$ -	-	\$ -	-	
ALLOCATED AL	LLOWANCES FR	OM EPA: COAL F	THET.				
Quantity	7,006		1,364	Ι -	_	5,642	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<u> </u>	† · · · · · · · · · · · · · · · · · · ·						
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	FUELS -	22	T	69	·
Dollars	S -	- s	\$ -	\$ -	\$ -	\$ -	
	<del>                                     </del>						
	FROM PURCHAS	SES:					
From Market:		<u> </u>					
Quantity	C		<del></del>	0		<del></del>	•
Dollars	\$ -	- \$	\$ -	\$ -	-	\$ -	
\$/Allowance	\$ -	\$ -	-	-		\$ -	
		<del></del>	· · · · · · · · · · · · · · · · · · ·		T	Υ	·
From KU:				ļ			
Quantity	ļ						
Dollars	\$ -	\$ -	\$ -	-	-		
\$/Allowance	\$ -	- \$	\$ -	-		-	
		•					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2010

Environmental Co	mpliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	508,389
10th Previous Month		601,705
9th Previous Month		371,225
8th Previous Month		370,063
7th Previous Month		611,664
6th Previous Month		435,407
5th Previous Month		468,423
4th Previous Month		495,912
3rd Previous Month		696,662
2nd Previous Month		389,461
Previous Month		426,059
Current Month		419,804
Total 12 Month O&M	\$	5,794,774

Determination of Working Cap		
12 Months O&M Expenses	\$	5,794,774
One Eighth (1/8) of 12 Month O&M Expenses	1/8	
Pollution Control Cash Working Capital Allowance	\$ 	724,347

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: July 31, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables		189,407.84	69,792.22	259,200.06
506105 - NOx Operation — Labor and Other	_	4,501.56	5,348.80	9,850.36
512101 - NOx Maintenance		6,059.03	1,637.71	7,696.74
Total 2001 Plan O&M Expenses		199,968.43	76,778.73	276,747.16
2005 Plan				
502006-Scrubber Operations			26,881.15	26,881.15
512005-Scrubber Maintenance			-	
Ashpond Dredging Expense		-	o transcription	-
Total 2005 Plan O&M Expenses		•	26,881.15	26,881.15
2006 Plan				
506109 - Sorbent Injection Operation		<u> </u>	83,161.94	83,161.94
512102 - Sorbent Injection Maintenance			2,810.97	2,810.9
506110 - Mercury Monitors Operation	-		-,,,,,,,	
512103 - Mercury Monitors Maintenance	30,203	-	-	30,203.00
502006 - Scrubber Operations			-	-
512005 - Scrubber Maintenance				, -
506104 - NOx Operation Consumables				-
506105 - NOx Operation — Labor and Other			-	-
512101 - NOx Maintenance			-	_
506001 - Precipitator Operation			-	-
506111 - Activated Carbon				-
512011 - Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$ 30,203	-	85,972.91	116,175.9
2009 Plan			•	
502012 - ECR Landfill Operations	-		<u> </u>	_
512105 - ECR Landfill Maintenance			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	_			
Net 2009 Plan O&M Expenses	<u> </u>	and the Lease	<u> </u>	
Current Month O&M Expense for All Plans	\$ 30,203	199,968.43	189,632.79	419,804.2

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: July 31, 2010

On-Site CCP Disposal O&M Expense		Cane Run	Trimble	County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$		\$	-
(2) Monthly Amount [(1) / 12]	\$	e ==	\$	-
2009 Plan Project				
(3) Monthly Expense	\$	_	\$	-
Total Generating Station				
(4) Monthly Expense [(2) + (3)]	\$		\$	
Base Rates		<del></del>		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-
(6) Monthly Expense Amount [(5) / 12]	\$		\$	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	\$	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
djustment for Base Rate Amount (to ES Form 2.50)	T \$		T \$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: July 31, 2010

Third Party	O&M Expense Account	Plant	Total O&M					
		<u> </u>						
Total Monthly Be	neficial Reuse Expense		-					
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)							
Net Beneficial Re	use O&M Expense		\$ -					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: July 31, 2010

On-Site CCP Disposal O&M Expense	Cane Ru	ı	Mill Creek		Trimble C	ounty	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$	- \$		-	\$	-	
(2) Monthly Amount [(1) / 12]	\$	- \$		-	\$	_	
2009 Plan Project 25	<del>-  </del>		·				
(3) Monthly Amount (Expense/Revenue)	\$	- \$			\$	_	
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	- \$		-	\$		
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$		-	\$		
(6) Monthly Expense Amount [(5) / 12]	\$	- \$			\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$			\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	- \$			\$	-	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)		- 18		<del></del>	T \$	_	18 -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2010

	Kentucky Jurisdictional Revenues							Total Company Revenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge	
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)	
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714	
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924	
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	. 70,460,285	69,839,696	
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749	
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719	
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517	
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901	
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266	
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466	
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435	
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547	
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352	
for 12 Months Endir	urisdictional Revenues, E ng Current Expense Mon	th.				\$ 65,947,483				
	ation Percentage for Curr Centucky Jurisdictional Re				(7) / Column (10) =				92.29%	
por Maria		Marie Maria de Cara de	and the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of th				Note 1 - Excludes Tot	Brokered Sales, tal for Current Month =	\$ 309,896.03	

ES FORM 3.10

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2010

	 Revenues per	I	Revenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 87,940,963	\$	87,940,963
Fuel Adjustment Clause	\$ 2,659,992	\$	2,659,992
DSM	\$ 2,420,480	\$	2,420,480
Environmental Surcharge		\$	1,519,099
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 93,021,435		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 7,765,917	\$	7,765,917
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,765,917		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 100,787,352		
Reconciling Revenues			
Brokered	\$ 309,896	\$	309,896
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	(537,667)
Miscellaneous		\$	2,085,548
Total Company Revenues per Income Statement =		\$	104,164,228





SEP 17 2010

PUBLIC SERVICE COMMISSION

Louisville Gas and

**Electric Company** 

PO Box 32010

www.eon-us.com

Robert M. Conroy Director - Rates

T 502-627-3324 F 502-627-3213

220 West Main Street

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@eon-us.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

September 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of August 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after September 29, 2010.

Pursuant to the Commission's Order in Case No. 2009-00549, all costs associated with the 2001 and 2003 ECR Plans are removed from the ECR monthly filing. LG&E will revise the ES Forms that include references to the 2001 and 2003 Plans in the next 2-year review case. The previous months O&M expenses reported on ES Form 2.40 have also been revised to remove the O&M for the 2001 Plan.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of August 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ (1,681,232)

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

-2.50%

Effective Date for Billing: October billing cycle beginning September 29, 2010

Submitted by:

Title: Director, Rates

Date Submitted: September 17, 2010

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2010

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan				
Eligible Pollution Control Plant	\$ 22,553,269				
Eligible Pollution CWIP Excluding AFUDC	50,524,477				
Subtotal	\$	73,077,746			
Additions:					
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-				
Cash Working Capital Allowance	297,560				
Deferred Debit Balance Mill Creek Ash Dredging	-				
Subtotal		297,560			
Deductions:					
Accumulated Depreciation on Eligible Pollution Control Plant	1,814,640				
Pollution Control Deferred Income Taxes	1,777,012				
Subtotal		3,591,652			
Environmental Compliance Rate Base	\$	69,783,654			

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 110,695
Monthly Depreciation & Amortization Expense	60,621
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	8,412
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 179,728

Determination of Beneficial Reuse Operating Expenses

	Enviro	onmental
	Compli	iance Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	4

Proceeds From By-Product and Allowance Sales

	Total	Amo	unt in	Net	
·-	Proceeds	Base	Rates	 Procee	ds
	(1)	(	2)	(1) - (2	2)
Allowance Sales	\$ 123	\$	-	\$	123
Scrubber By-Products Sales	-		-		-
Total Proceeds from Sales	\$ 123	\$	_	\$	123

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of August 2010

#### Calculation of Total E(m)

$E(m) = [(RB / 12) \cdot$	(ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	200	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	===	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

				Environm	ental Compliance Plans
(1)	RB		=	\$	69,783,654
(2)	RB / 12		=		5,815,305
(3)	(ROR + (ROR - DR) (TR /	(1 - TR)))	=		10.97%
(4)	OE		=		179,728
(5)	BAS				123
(6)	BR		=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	817,544

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) (9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) × (8)]$	= \$	92.56% 756,719
(10) (11) (12)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502  Prior Period Adjustment (if necessary)  Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= =	- - 756,719
(13)	Revenue Collected through Base Rates	= \$	2,437,951
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(1,681,232)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= .\$	67,236,254
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	-2.50%

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2010	Monthly ITC Amortization Credit	De	Monthly epreciation ' Expense	Prop	onthly perty Tax xpense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	\$	· •		\$		\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	-	\$	-	\$	-	\$	<del>-</del>		s	-	\$	-
												L_			
Net Total - 2001 Plan:	\$		\$		\$		\$		\$			\$		\$	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	-	\$ \$ \$		\$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	- - -		\$ \$ \$	- - - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	<u>-</u>	S S	-	\$	-	\$	-	\$	-		\$	<del>-</del> .	\$	- -
Net Total - 2003 Plan:	\$		\$		\$	<del></del>	\$	-	\$			\$		\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	377,230 287,380 81,901 40,215 - 1,164,731	\$ \$ \$ \$	1,631,565 97,940 - - - - 1,729,505	\$ \$ \$ \$	5,861,443 4,541,129 768,200 268,292 - 6,196,347	\$ \$ \$ \$	252,819 75,420 18,031 - 1,015,890		\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$	700 564 99 35 - 797
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(1,191,665)	\$	(548,068)	\$	-	\$	(643,598)	\$	(131,696	)	s	(3,438)	\$	(80)
Net Total - 2005 Plan:	\$	16,665,695	\$	1,403,388	\$	1,729,505	\$	16,991,812	\$	1,455,777		\$	40,616	\$	2,114

ES Form 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service	Acc	Eligible cumulated preciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2010	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	3,440,076 2,050,346 397,151	\$		\$ \$	44,328,288 471,067 - -	\$ \$ \$	44,328,288 3,700,958 1,910,254 336,177	\$	210,118 41,835 69,282		\$ \$ \$	9,777 8,867 1,361	\$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	5,887,574	s s	411,251	\$	44,799,355	\$	50,275,677 -	\$	321,235 -		\$	20,005	s s	6,145
Net Total - 2006 Plan:	s	5,887,574	S	411,251	\$	44,799,355	\$	50,275,677	\$	321,235		S	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$ \$	- - - -	\$ \$	375,739 2,684,906 934,972 -	\$	375,739 2,684,906 934,972 -	\$	-		\$ \$ \$	- - -	\$ \$ \$	33 120 - -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	-	\$	-	\$	3,995,617	\$	3,995,617	\$	-		\$	-	s s	153
Net Total - 2009 Plan:	\$	-	\$		\$	3,995,617	\$	3,995,617	\$		1	\$	-	\$	153
			Ĺ				İ		I			I			
Net Total - All Plans:	\$	22,553,269	\$	1,814,640	\$	50,524,477	\$	71,263,106	\$	1,777,012		\$	60,621	\$	8,412

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: August 31, 2010

Vintage Year	Nur	nber of Allowand	ces	Tota	al Dollar Value O	f Vintage Y	ear	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx		NOx	
		Annual	Ozone Season		Annual	1	Ozone Season	
Current Year	143,080	4,346	2,284	\$ 3,195.25	\$	-	\$ 45.00	
2011	62,379	14,133	6,212					
2012	62,379	14,133	6,212					
2013	62,379	14,133	6,212					
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379					-	-	
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030 - 2040	686,169							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of August 2010

TOTAL EMISSION ALL Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity	150,145 3,395.96 0.02	1,809 \$ -	(Coal Fuel)  , ALL CLASSIFIC  3,453  \$ 78.10	(Other Fuels)  CATIONS  0	Sold		Inventory	Sale Date & Vintage Years
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA	150,145 3,395.96 0.02	1,809 \$ -	3,453	<del></del>				
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA	150,145 3,395.96 0.02	1,809 \$ -	3,453	<del></del>	<b>-</b>			
Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA	3,395.96 0.02	\$ -		1 0				
\$/Allowance \$  ALLOCATED ALLOWA	0.02		Φ 70 1Λ				143,080	
ALLOCATED ALLOWA		2				.61 \$		
	NICES EDO	Ψ	\$ 0.02		\$ 0	.02 \$	0.02	
		******	*****					
Quantity					T	101	104 (710	IC I C II . TEXT (C 401) II .: C . DD4 C .:
77 11	141,750	1,809	3,426			121	134,/12	Sale of allowances to KU (5,421); allocation from EPA Conservation
Dollars \$	3,206.09	\$ 1.80	\$ 77.49	<u> </u>	\$ 122	.61 \$	3,007.79	& Renewables Pool (1,809). Beginning inventory adjusted to reflect
		·····	L			L		July sale to KU of 100% coal allowances and no other fuel allowances.
Quantity  Dollars \$	8,395 189.87	-	27			- - \$		Beginning inventory adjusted to reflect July sale to KU of 100% coal allowances and no other fuel allowances.
	1		4					
ALLOWANCES FROM From Market:	PURCHASI	ES:						
Quantity	-	-	-	-		_	_	
Dollars \$	-	\$ -	\$ -	\$ -	\$	- 5	\$ -	
\$/Allowance \$	-	\$ -	\$ -	\$ -	\$	- 3		
From KU								
Quantity	_					-		
Dollars \$		\$ -	- \$				\$	
\$/Allowance \$		\$ -	\$ -	-	\$	- \ 5	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of August 2010

	Beginning	Allo	ocations/	Utilized	Utilized		1	Ending	Allocation, Purchase, or
	Inventory	Pu	rchases	(Coal Fuel)	(Other Fuels)	Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANC	ES IN IN	VENTORY.	, ALL CLASSIFIC	CATIONS				
Quantity	3,64	)	0	1,344	2		0	2,284	
Dollars	\$ 71.9	) \$	-	\$ 26.49	\$ 0.4	\$ -	\$	45.00	
S/Allowance	\$ 0.0	2 \$	-	\$ 0.02	\$ 0.00	2 \$ -	\$	0.02	
ALLOCATED A	LLOWANCES F	ROM EPA	A: COAL F						
Quantity	3,53	3	-	1,344		-		2,189	
Dollars	\$ . 69.6	1 \$	0.01	\$ 26.49	\$ -	\$ -	\$	43.13	
ALLOCATED A			A: OTHER	FUELS					
Quantity	1	6	_	-	2			95	
Quantity		6		-	\$ 0.4		\$	95 1.87	
Quantity	1	6	_	-			\$		
ALLOCATED A Quantity Dollars	\$ 2.3	6   9   \$	_	-			\$		
Quantity Dollars ALLOWANCES	\$ 2.3	6   9   \$	_	-			\$		
Quantity Dollars  ALLOWANCES From Market:	\$ 2.3	6   9   \$   SES:	(0.01)	\$ -	\$ 0.4	1 \$ -		1.87	
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 2.3	6   9   \$	_	\$ -	\$ 0.4	0	0		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 2.3  FROM PURCH.	6   9   \$	(0.01)	\$ - \$ -	\$ 0.4	0 \$ -	0 \$	1.87	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 2.3	6   9   \$	(0.01)	\$ -	\$ 0.4	0	0	1.87	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 2.3  FROM PURCH.	6   9   \$	(0.01)	\$ - \$ -	\$ 0.4	0 \$ -	0 \$	1.87	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	\$ 2.3  FROM PURCH.	6   9   \$   \$   \$   \$   \$   \$   \$   \$   \$	(0.01)	- S - C - S S	\$ 0.4	0	0 \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURCH.  \$ -	6   9   \$   \$   \$   \$   \$   \$   \$   \$   \$	(0.01)	- S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S - C S -	\$ 0.4	0	0 \$	0	
Quantity Dollars ALLOWANCES	\$ 2.3  FROM PURCH.	6   9   \$   \$   \$   \$   \$   \$   \$   \$   \$	(0.01)	- S - C - S S	\$ 0.4	0	0 \$	0 - 0	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of August 2010

	Beginning		cations/	Utilized		Utilized			Γ	Ending	Allocation, Purchase, or
	Inventory	Pur	chases	(Coal Fuel)	<u> </u>	(Other Fuels)		Sold	<u> </u>	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWAN	CES IN INV	ENTORY,	ALL CLASSIFI	CATIO	NS					
Quantity	5,7	11	0	1,344		21		0		4,346	
Dollars	\$ .		-	\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$ .	- \$	-	\$ -	\$	-	\$		\$	-	
		· · · · · · · · · · · · · · · · · · ·									
ALLOCATED A											
Quantity		542	(50)	1,344		_		_	<u> </u>	4,248	Transfer from Coal Fuel to Other Fuel
Dollars	\$	- \$	-	\$ -	\$	-	\$	_	\$	-	
	<u> </u>						<u> </u>				
ALLOCATED A	LLOWANCES			FUELS							
Quantity		69	50			21		_		98	Transfer from Coal Fuel to Other Fuel
Dollars	\$	- \$		\$ -	\$	_	\$		\$	~	
ALLOWANCES	FROM PURCE	IASES:									
From Market:											
Quantity		0	0		)	0		0	L	0	
Dollars	1 4	- \$		\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$	- \$	-	\$ -	\$	-	\$		\$	_	
From KU:											
Quantity		.0	0		0	0		0		0	
Dollars	\$	- \$		\$ -	\$		\$		\$		
\$/Allowance	\$	- \$		\$ -	\$		\$		\$	_	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2010

Environmental Co	ompliance Plan	
O&M Expenses	Aı	nount
11th Previous Month	\$	235,164
10th Previous Month		131,660
9th Previous Month	·	179,707
8th Previous Month		223,008
7th Previous Month		208,670
6th Previous Month		247,036
5th Previous Month		286,117
4th Previous Month		335,072
3rd Previous Month		125,444
2nd Previous Month		154,851
Previous Month		143,057
Current Month		110,695
Total 12 Month O&M	\$	2,380,479

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$		2,380,479				
One Eighth (1/8) of 12 Month O&M Expenses		1/8					
Pollution Control Cash Working Capital Allowance	\$		297,560				

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: August 31, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables		- 1	- 1	_
506105 - NOx Operation — Labor and Other	1.46.75	-	-	-
512101 - NOx Maintenance		-	-	-
Total 2001 Plan O&M Expenses		-	-	-
2005 Plan				
502006-Scrubber Operations			10,904.45	10,904.45
512005-Scrubber Maintenance		74	-	_
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	10,904.45	10,904.45
2006 Plan				
506109 - Sorbent Injection Operation		_	97.615.56	97,615.56
512102 - Sorbent Injection Maintenance	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	-	91.58	91.58
506110 - Mercury Monitors Operation	-	-	-	-
512103 - Mercury Monitors Maintenance	-	2,083.19		2,083.19
502006 - Scrubber Operations			-	-
512005 - Scrubber Maintenance				-
506104 - NOx Operation Consumables			-	_
506105 - NOx Operation - Labor and Other			-	
512101 - NOx Maintenance		1,000,000,000	-	-
506001 - Precipitator Operation			-	_
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance	the first of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		-	-
Total 2006 Plan O&M Expenses	\$ -	2,083.19	97,707.14	99,790.3
2009 Plan				
502012 - ECR Landfill Operations	_		<u> </u>	
512105 - ECR Landfill Maintenance	-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses			-	-
Current Month O&M Expense for All Plans		2.083.19	108,611.59	110,694.7

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2010

	On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Es	xisting CCP Disposal Facilities (Pre 2009 Plan Project)		<del>- T</del>
(1)	12 Months Ending with Expense Month	\$ -	. \$ -
(2)	Monthly Amount [(1) / 12]	\$ -	Φ
20	009 Plan Project		
(3)	Monthly Expense	\$ -	\$ -
To	otal Generating Station		
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -
Ba	ase Rates		
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6)	Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) To	otal Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8)	Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
*-X	If Line (8) Greater than Zero, No Adjustment		
	If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustme	ent for Base Rate Amount (to ES Form 2.50)		-   \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: August 31, 2010

Third Party	O&M Expense Account	Plant	Total O&M			
Total Monthly Ben	eficial Reuse Expense		\$ -			
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Reu	se O&M Expense		\$ -			

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2010

On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek	Trim	ble County	Total
			,				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$		\$		\$		
(2) Monthly Amount [(1) / 12]	- \$		\$		\$	-	
2009 Plan Project 25							<u> </u>
(3) Monthly Amount (Expense/Revenue)	\$	_	\$	_	\$	-	
Total Beneficial Reuse - Generating Station			<del>                                     </del>				
(4) Monthly Expense [(2) + (3)]	\$		\$		\$	-	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	<u> </u>		\$	_	\$	_	
(6) Monthly Expense Amount [(5) / 12]	\$		\$		\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	_	\$	<u></u>	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$		
If Line (8) Greater than Zero, No Adjustment			-		-		
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	10		18		Te		Τ¢

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: August 31, 2010

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  \$ 67,236,254								
		rrent Month (Environmen evenues Divided by Expe			(7) / Column (10) =				92.56%
			en Maria				Note 1 - Excludes Tot	Brokered Sales, al for Current Month =	\$ 324,701.56

ES FORM 3.10

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2010

	Revenues per	R	evenues per
	 Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 86,172,751	\$	86,172,751
Fuel Adjustment Clause	\$ 2,911,577	\$	2,911,577
DSM	\$ 1,791,028	\$	1,791,028
Environmental Surcharge		\$	(125,080)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 90,875,355		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 7,304,722	\$	7,304,722
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,304,722		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 98,180,078		وما الشهورة - المرود والمشاورين - السوارية - المواورة - المواورة - المواورة - المواورة - المواورة -
Reconciling Revenues			
Brokered	\$ 324,702	\$	324,702
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	15,533,487
Miscellaneous		\$	1,619,186
Total Company Revenues per Income Statement =		\$	115,532,373



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

OCT 18 2010

PUBLIC SERVICE COMMISSION Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

October 18, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after October 28, 2010.

It has come to my attention that the ECR Revenue from Base Rates included on ES Form 1.10 in our August 2010 expense month filing was overstated resulting in an understated ECR billing factor. The amount of the overstatement is reflected as a Prior Period Adjustment on ES Form 1.10 for the September 2010 expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of September 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

(54,471)

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

-0.08%

Effective Date for Billing: November billing cycle beginning October 28, 2010

Submitted by:

Title: Director, Rates

Date Submitted: October 18, 2010

**ES FORM 1.10** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of September 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	===	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

			Environment	al Compliance Plans
(1) RB		=	\$	69,927,954
(2) RB/		=		5,827,330
(3) (ROF	+ (ROR - DR) (TR / (1 - TR)))	=		10.97%
(4) OE		=		234,877
(5) BAS		=		134
(6) BR		=		-
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	a	\$	874,001

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	90.68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	792,544
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	• =	-
(11)	Prior Period Adjustment (if necessary)	=	(30,755)
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	761,789
(13)	Revenue Collected through Base Rates	= \$	816,260
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(54,471)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	68,965,871
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	-0.08%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of September 2010

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan			
Eligible Pollution Control Plant	\$ 22,553,269			
Eligible Pollution CWIP Excluding AFUDC	50,784,281			
Subtotal		\$	73,337,550	
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-			
Cash Working Capital Allowance	288,895			
Deferred Debit Balance Mill Creek Ash Dredging				
Subtotal			288,895	
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	1,878,699			
Pollution Control Deferred Income Taxes	1,819,792			
Subtotal			3,698,491	
Environmental Compliance Rate Base		\$	69,927,954	

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 165,844
Monthly Depreciation & Amortization Expense	60,621
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	8,412
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
·	
Less: Operating Expenses Associated with Retirements or Replacements	,
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 234,877

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	_
Net Beneficial Reuse Operations Expense	\$ · ·

Proceeds From By-Product and Allowance Sales

		Total Proceeds		Amount in Base Rates		Net
	P					roceeds
		(1)		(2)	(	1) - (2)
Allowance Sales	. \$	134	\$	-	\$	134
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	134	\$	٠ -	\$	134

ES Form 2.10 Page 1 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	. (7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)							
<b>2001 Plan:</b> Project 6 - LGE NOx	\$	-	\$		\$	-	\$	-	\$	-		\$	-	\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	-	\$	-	\$	<u>-</u>	\$	-		\$		\$ \$	-
Net Total - 2001 Plan:	\$		\$		•		\$		<u> </u>			S		\$	
NEL TOTAL - 2001 Flan.	<del>-   *-</del>		3		٦				1 3					1 3	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$	- - -	\$ \$ \$	- - -		\$ \$ \$	- - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	\$		\$	· · · · · · · · · · · · · · · · · · ·	\$	-		\$	-	\$	-
Net Total - 2003 Plan:	s		S		S		S		   \$			\$		1 \$	<del></del>
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$	386,970 295,776 84,465 41,362 - 1,186,937 1,995,511 (548,068	\$ \$ \$ \$	1,639,669 146,992 - - - - 1,786,661	\$ \$ \$ \$	5,859,806 4,581,784 765,635 267,145 - 6,174,141 17,648,511	\$ \$ \$ \$ \$	230,874 259,264 77,473 18,202 1,032,920 1,618,733 (131,696)	·	\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055	\$ \$ \$ \$	700 564 99 35 - 797 2,193
•			1				L								
Net Total - 2005 Plan:	\$	16,665,695	\$	1,447,443	\$	1,786,661	\$	17,004,913	\$	1,487,037		\$	40,616	\$	2,114

ES Form 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	 3,440,076 2,050,346 397,151	\$	- 219,962 148,960 62,335	\$	43,955,783 420,004 - -		43,955,783 3,640,119 1,901,387 334,816	\$ \$	218,798 43,638 70,319		\$ \$ \$	- 9,777 8,867 1,361	\$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	5,887,574	\$	431,256	\$	44,375,787	\$	49,832,104	\$	332,755		\$	20,005	s s	6,145
Net Total - 2006 Plan:	\$	5,887,574	\$	431,256	\$	44,375,787	\$	49,832,104	\$	332,755		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	·	\$ \$ \$		\$ \$ \$	404,704 3,280,533 935,835 761	\$	404,704 3,280,533 935,835 761	\$ \$	- - - -		\$ \$ \$	-	\$ \$ \$	33 120 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	4,621,833 -	\$	4,621,833	\$	-		s s		\$	153
Net Total - 2009 Plan:	\$		\$	-	\$	4,621,833	\$	4,621,833	\$	-	1	S	-	\$	153
					İ						Ì				
Net Total - All Plans:	\$	22,553,269	\$	1,878,699	\$	50,784,281	\$	71,458,851	\$	1,819,792		\$.	60,621	\$	8,412

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: September 30, 2010

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Value (	Of Vintage	Year		Comments and Explanations
_	SO ₂	NOx	NOx	SO ₂	NOx			NOx _	
		Annual	- Ozone Season		Annu	al	Ozo	one Season	
Current Year	133,714	3,127	1,065	\$ 2,986.10	\$	-	\$	20.99	
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379			·					
2021	62,379								
2022	62,379						<u> </u>		
2023	62,379						<u> </u>		
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379				L				
2029	62,379								
2030 - 2040	686,169								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of September 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Hivelitory	ruichases	(Coar Fuer)	(Other Fuels)	3014	Hiventory	Sale Date & Village Teals
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	ALL CLASSIFIC	ATIONS			
Quantity	143,080	0	3,366	0	6,000	133,714	T
Dollars	\$ 3,195.25		\$ 75.16		\$ 133.99		
\$/Allowance	\$ 0.02		\$ 0.02		\$ 0.02		
711 111 111 111 111	1.5	11			1.4		
ALLOCATED A	LLOWANCES FR						
Quantity	134,712		3,342		6,000	125,370	Sale of allowances to KU
Dollars	\$ 3,007.79	\$ 0.59	\$ 74.63	-	\$ 133.99	\$ 2,799.76	
		1	<u> </u>		<u> </u>		
ALLOCATED A	LLOWANCES FR 8,368		FUELS 24	<del>-</del> -	T	8,344	T
Dollars	\$ 187.46		\$ 0.53	-	\$ -	\$ 186.34	
r							
ALLOWANCES	FROM PURCHAS	SES:					
From Market:		T				1	
Quantity	-	-		_	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	-	-	` -		-	
Dollars	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of September 2010

	Beginning	Allocations/	Utilized	Utilized	6.1.	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	2,284	0	1,211	8	0	1,065	
Dollars	\$ 45.00	\$ -	\$ 23.85	\$ 0.16	\$ -	\$ 20.99	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02		\$ -	\$ 0.02	
	<del>-1</del>				Li	<del></del>	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				•
Quantity	2,189	-	1,211	<del>-</del>		978	
Dollars	\$ 43.13	\$ -	\$ 23.85	\$ -	\$ -	\$ 19.28	
						100	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	95	-		8		87	
Dollars	\$ 1.87	\$ -	\$ -	\$ 0.16	\$ -	\$ 1.71	
<u>.</u>							
	FROM PURCHAS	ES:					
From Market:			<u> </u>				
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	-	\$ -	- \$	-	\$ -	\$ -	
-							
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	-	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2010

	Beginning Inventory		cations/ chases	Utilize (Coal Fi		Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANC	ES IN INV	ENTORY	. ALL CLAS	SSIFICA	ATIONS		-		
Quantity	4,346		0		1,211	8		0	3,127	
Dollars	\$ -	\$		\$		\$ -	\$	-	\$ -	
\$/Allowance	\$ -	\$	-	\$	-	\$ -	\$	-	\$ -	
ALLOCATED A	LLOWANCES FE	OM EPA	: COAL F	DET.			,			
Quantity	4,24		-	Ĭ	1,211		T		3,037	
Dollars	\$ -	\$		\$		\$ -	\$	-	\$ -	
	LLOWANCES FI			FUELS			<del></del>			
Quantity	9			l		. 8			90	
Dollars	\$ -	\$		\$		\$ -	\$		\$ -	
ALLOWANCES From Market:	FROM PURCHA	SES:		1			<u> </u>			
Quantity		<u> </u>	0	<b> </b>	0	0		0	0	
Dollars	\$ -	\$		\$		\$ -	\$	-	\$ -	
\$/Allowance	\$ -	\$	-	\$	-	\$ -	\$	_	\$ -	
From KU:		0	0		0		)	. 0	0	
Quantity				\$	-	\$ -	\$	_	\$ -	
Quantity Dollars	\$ -	\$								
From KU: Quantity Dollars \$/Allowance				\$	-	\$ -	\$	-	\$	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2010

Environmental Compliance Plan						
O&M Expenses		Amount				
11th Previous Month	\$	131,660				
10th Previous Month		179,707				
9th Previous Month		223,008				
8th Previous Month		208,670				
7th Previous Month		247,036				
6th Previous Month		286,117				
5th Previous Month		335,072				
4th Previous Month		125,444				
3rd Previous Month		154,851				
2nd Previous Month		143,057				
Previous Month		110,695				
Current Month		165,844				
Total 12 Month O&M	\$	2,311,159				

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		2,311,159					
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$		288,895					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: September 30, 2010

0000		) (T) (C)	T: 11 C	T-4-1
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables		_	-	
506105 - NOx Operation Consumables 506105 - NOx Operation Labor and Other	_			
512101 - NOx Maintenance				
Total 2001 Plan O&M Expenses				
10th 2001 Finit Occivi Exponses				
2005 Plan			•	
502006-Scrubber Operations			38,657.06	38,657.06
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	38,657.06	38,657.06
2006 Plan				
506109 - Sorbent Injection Operation	'	-	125,974.39	125,974.39
512102 - Sorbent Injection Maintenance		-	-	-
506110 - Mercury Monitors Operation	_	- 1	-	-
512103 - Mercury Monitors Maintenance	-	1,212.54		1,212.54
502006 - Scrubber Operations	\$		-	<u> </u>
512005 - Scrubber Maintenance	***		-	-
506104 - NOx Operation — Consumables			-	-
506105 - NOx Operation Labor and Other.		!	-	-
512101 - NOx Maintenance		İ	-	-
506001 - Precipitator Operation			÷	<u> </u>
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance		i i	-	
Total 2006 Plan O&M Expenses		1,212.54	125,974.39	127,186.93
2009 Plan				
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance				<del>-</del>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				-
Net 2009 Plan O&M Expenses				
IC. AMARIA ORM F. AND DIA	7.6	1 010 67	1/4/21 45 1	1/5 0/2 0/
Current Month O&M Expense for All Plans		1,212.54	164,631.45	165,843.9

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2010

	T		
On-Site CCP Disposal O&M Expense	Ca	ne Run Tı	imble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			· · · · · · · · · · · · · · · · · · ·
(1) 12 Months Ending with Expense Month	\$	- \$	
(2) Monthly Amount [(1) / 12]	\$	- \$	-
2009 Plan Project			
(3) Monthly Expense	\$	- \$	-
Total Generating Station			
(4) Monthly Expense [(2) + (3)]	\$	- \$	-
Base Rates			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$	-
(6) Monthly Expense Amount [(5) / 12]	\$	- \$	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$	
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$	-
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
Adjustment for Base Rate Amount (to ES Form 2.50)	<b>T</b> \$	-  \$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: September 30, 2010

Third Party	O&M Expense Account	Plant	Total O&M					
			3					
	· · · · · · · · · · · · · · · · · · ·							
Total Monthly Ben	eficial Reuse Expense		\$ -					
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)							
Net Beneficial Reu	se O&M Expense		\$					

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2010

On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek	Trimb	le County	Total
			<b>,</b>				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$		\$		\$		
(2) Monthly Amount [(1) / 12]	\$		\$		\$		
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$		\$		\$		
Total Beneficial Reuse - Generating Station			<u></u>				
(4) Monthly Expense [(2) + (3)]	\$	-	\$		\$		
Beneficial Reuse in Base Rates			<u> </u>		<del> </del>		····
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$	_	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	-	\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$		\$	_	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$		\$	_	· · · · · · · · · · · · · · · · · · ·
If Line (8) Greater than Zero, No Adjustment			<del> </del>		<del> </del>		
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	16		T\$		15		<u> </u>

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 2010

	Kentucky Jurisdictional Revenues							Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month. \$ 68,965,871								
		rrent Month (Environmer Levenues Divided by Exp			(7) / Column (10) =				90.68%
		精					Note 1 - Excludes To	s Brokered Sales, tal for Current Month =	\$ 80,222.99

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2010

		Revenues per	R	levenues per
		Form 3.00		ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	85,610,679	\$	85,610,679
Fuel Adjustment Clause	\$	1,618,012	\$	1,618,012
DSM	\$	1,527,512	\$	1,527,512
Environmental Surcharge			\$	(520,026)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	88,756,203		
Non -Jurisdictional Revenues				
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	9,116,965	\$	9,116,965
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	9,116,965	<u> </u>	
Total Company Revenues for Environmental Surcharge Purposes =	\$	97,873,168		
Reconciling Revenues				
Brokered	\$	80,223	\$	80,223
InterSystem (Transmission Portion Booked in Account 447)			\$	-
Unbilled			\$	(20,817,811)
Miscellaneous			\$	1,674,255
Total Company Revenues per Income Statement =			\$	78,289,809

Page 117 of 485

Conroy



OCT 19 2010 PUBLIC SERVICE COMMISSION

Louisville Gas and

**Electric Company** 

PO Box 32010

www.eon-us.com

Robert M. Conroy Director - Rates

T 502-627-3324 F 502-627-3213

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@eon-us.com

220 West Main Street

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

October 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

On Monday, October 18, 2010, pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") filed the original and three copies of its Environmental Surcharge Report for the month of September 2010. It has come to my attention that the prior period adjustment on ES Form 1.10 was inadvertently included as a reduction to jurisdictional revenue requirement.

As stated in our October 18, 2010 filing, the ECR Revenue from Base Rates included on ES Form 1.10 in our August 2010 expense month filing was overstated resulting in an understated ECR billing factor and thus an undercollection. Therefore, the amount of the overstatement reflected as a Prior Period Adjustment on ES Form 1.10 for the September 2010 expense month should be an increase to the jurisdictional revenue requirement, not a decrease.

Attached to this letter are revised ES Forms 1.00 and 1.10 for the expense month of September 2010 showing the corrected jurisdictional revenue requirement and billing factor LG&E will be applying to customer bills beginning October 28, 2010.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of September 2010 as Revised October 19, 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue

Collected Through Base Rates -- ES Form 1.10, line 14 = \$

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

Effective Date for Billing: November billing cycle beginning October 28, 2010

Title: Director, Rates

Submitted by:

Date Submitted: October 19, 2010

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of September 2010 as Revised October 19, 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR + (ROR - DR)(TR/(1-TR)))] + OE - BAS + BR, where							
RB	===	Environmental Compliance Rate Base					
ROR	=	Rate of Return on the Environmental Compliance Rate Base					
DR	=	Debt Rate (both short-term and long-term debt)					
TR	==	Composite Federal & State Income Tax Rate					
OE .	=	Pollution Control Operating Expenses					
BAS	=	Total Proceeds from By-Product and Allowance Sales					
ВD	=	Reneficial Reuse Operating Expenses					

					Environmental Complia	ance Plans
(2) R	LB / 12		=	=	\$ .	69,927,954 5,827,330
(4) 0	ROR + (ROR - DR) (TR / (1 )E !AS	- IK)))	=	=		10.97% 234,877 134
(6) B			=	=		-
(7) Æ(	(m)	(2) x (3) + (4) - (5) + (6)	=	=	\$	874,001

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00  Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	. = = \$	90.68% 792,544
(10) (11) (12)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary) Adjusted Jurisdictional $E(m) = [(9) + (10) + (11)]$	= =	30,755 823,299
(13)	Revenue Collected through Base Rates	= \$	816,260
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	7,038
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	68,965,871
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]		0.01%

Attachment to Response to LGE KIUC-1 Question No. 19 Page 120 of 485 Conroy



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

November 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of October 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after November 29, 2010.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

ES FORM 1.00

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of October 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 29,051

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

0.04%

Effective Date for Billing: December billing cycle beginning November 29, 2010

Submitted by:

Title: Director, Rates

Date Submitted: November 19, 2010

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

#### For the Expense Month of October 2010

#### Calculation of Total E(m)

E	(m) = [(RB/12)]	(ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
	RB	-	Environmental Compliance Rate Base
	ROR	=	Rate of Return on the Environmental Compliance Rate Base
	DR	=	Debt Rate (both short-term and long-term debt)
	TR	100	Composite Federal & State Income Tax Rate
	OE	in	Pollution Control Operating Expenses
	BAS	44	Total Proceeds from By-Product and Allowance Sales
	BR	=	Beneficial Reuse Operating Expenses

				Environmen	ntal Compliance Plans
(1)	RB		=	S	70,830,963
2)	RB / 12		=		5,902,580
3)	(ROR + (ROR - II	DR) (TR / (1 - TR)))	=		10.97%
	OE		<del>-</del>		163,405
(5)	BAS		=		
(6)	BR		-		
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$		S	810,918

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3,00	25		85,51%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	#	S	693,416
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	29		
(11)	Prior Period Adjustment (if necessary)	=		
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=		693,416
(13)	Revenue Collected through Base Rates	-	S	664,365
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$	29,051
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	s	69,734,062
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=		0.04%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of October 2010

Determination of Environmental Compliance Rate Base

		Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$	22,553,269		THE PERSON
Eligible Pollution CWIP Excluding AFUDC		51,798,791		
Subtotal	WIT .		\$	74,352,060
Additions:	A DESIGNATION OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF THE PERSON OF			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33				
Cash Working Capital Allowance		284,234		
Deferred Debit Balance Mill Creek Ash Dredging				
Subtotal	100	50 TO 10		284,234
Deductions:	103			
Accumulated Depreciation on Eligible Pollution Control Plant		1,942,758	HA	
Pollution Control Deferred Income Taxes		1,862,573		
Subtotal	100			3,805,331
Environmental Compliance Rate Base	1 10		S	70,830,963

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 94,377
Monthly Depreciation & Amortization Expense	60,62
less investment tax credit amortization	
Monthly Property and Other Applicable Taxes	8,412
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	
ess: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 163,400

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	0.00	otal oceeds	10000000	ount in e Rates		Net oceeds
		(1)		(2)	(1	) - (2)
Allowance Sales	\$		\$		\$	
Scrubber By-Products Sales						-
Total Proceeds from Sales	S	-	S		\$	

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2010	Monthly ITC Amerization Credit	De	Monthly epreciation Expense	Pr	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s		s	-	5		s		\$			s		5	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		s		s	•	s		s			s		s	
Net Total - 2001 Plan:	S	Je:	s	-	S		S		S	-		S	-	S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$		\$ \$ \$	2 2	s s s		\$ \$ \$		s s s	:		s s s	:	s s s	:
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	-	5		s		s		s	-		\$		s	-
Net Total - 2003 Plan:	5	+	S	-	S		S		5			S		S	
2005 Plan:  Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$	396,711 304,173 87,030 42,509 - 1,209,143 2,039,565 (548,068)		1,668,020 473,775 - - - 2,141,795	\$ \$ \$ \$	5,878,417 4,900,170 763,071 265,999 6,151,935 17,959,590 (643,598)	\$ \$ \$ \$	236,435 265,709 79,525 18,373 - 1,049,951 1,649,993 (131,696)		\$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055 (3,438)		700 564 99 35 - 797 2,193
Net Total - 2005 Plan:	S	16,665,695	5	1,491,497	2	2,141,795	15	17,315,993	9	1,518,297		S	40,616	2	2,11

ES Form 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2010

(1)		(2)	(3	)		(4)		(5)		(6)	(7)		(8)		(9)
Description	P	Eligible Plant In Service	Elig Accum Depres	ulated		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Ta	Deferred ax Balance as of 0/31/2010	Monthly ITC Amortization Credit	E	Monthly Depreciation Expense	1	Monthly Property Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	s s s s	3,440,076 2,050,346 397,151	\$ \$ \$ \$	229,738 157,827 63,696	s s s	43,835,711 420,004		43,835,711 3,630,342 1,892,520 333,455	S	227,478 45,441 71,357		\$ \$ \$	9,777 8,867 1,361	s s s	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	5,887,574	5	451,260	S S	44,255,715	S S	49,692,028	s	344,275		5	20,005	s	6,145
Net Total - 2006 Plan	S	5,887,574	ş	451,260	S	44,255,715	S	49,692,028	5	344,275		S	20,005	S	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	S S S		s s s	* * * *	\$ \$ \$	441,661 4,016,879 940,313 2,428		441,661 4,016,879 940,313 2,428	S S S	0 0 0 0		s s	:	s s s	33 120
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	•	\$ \$	*	5	5,401,281	s	5,401,281	s	- 3		s		s	153
Net Total - 2009 Plan	Š		5	-	\$	5,401,281	\$	5,401,281	5			5		\$	153
Net Total - All Plans	S	22,553,269	\$	1,942,758	S	51,798,791	S	72,409,302	5	1.862.573		s	60,621	S	8,412

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2010

Vintage Year	Num	ber of Allowane	ces	T	otal Dolla	ar Value Of Vintag	ge Year		Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual		NOx ne Season	
Current Year	130,541	1,960	1,065	\$ 2,915.2	4 \$	-	\$	20.99	
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379				-				
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379						4		
2027	62,379								
2028	62,379								
2029	62,379								
2030 - 2040	686,169								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of October 2010

	Beginning Inventory	Allocati Purcha	2000	Utilized (Coal Fuel)	Utilized (Other Fue			Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANC	ES IN INVEN	TORY	, ALL CLASSIFIC	CATIONS						
Quantity	133,71	k.	0	3,173		0		0		130,541	
Dollars	\$ 2,986.1	\$	5	\$ 70.86	S	-	\$	-	\$	2,915.24	
\$/Allowance	\$ 0.0	2 \$	-	\$ 0.02	S	-	\$		\$	0.02	
ALLOCATED	ALLOWANCES FI		OAL F								
Quantity	125,37	)	-	3,150						122,220	
Dollars	\$ 2,799.7	\$	0.02	\$ 70.36	S		S		S	2,729.42	
ALLOCATED Quantity	ALLOWANCES FI		THER	FUELS 23				4		8,321	
				23	\$	•	s	•	\$	8,321 185.82	
Quantity Dollars	\$ 186.3	1 1 S		23	\$		s		\$		
Quantity Dollars  ALLOWANCE	8,34	1 1 S		23	\$		s		s		
Quantity Dollars  ALLOWANCE From Market:	8,34 \$ 186.3 S FROM PURCHA	1 1 S	(0.02)	\$ 0.50	\$	-	s	•	s	185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity	8,34 \$ 186.3 S FROM PURCHA	SES:	(0.02)	\$ 0.50						185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	8,34 \$ 186.3 S FROM PURCHA	SES:	(0.02)	23 \$ 0.50	s		s		s	185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity	8,34 \$ 186.3 S FROM PURCHA	SES:	(0.02)	\$ 0.50						185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	8,34 \$ 186.3 S FROM PURCHA	SES:	(0.02)	23 \$ 0.50	s		s		s	185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \) \$\( \)	8,34 \$ 186.3 S FROM PURCHA - \$ - \$ -	SES:	(0.02)	\$ 0.50 - \$ - \$ -	s	12 24	s		s	185.82	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	8,34 \$ 186.3 S FROM PURCHA	SES:	(0.02)	23 \$ 0.50	s		s		s	185.82	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of October 2010

Inventory  N ALLOWANCES  1,065  \$ 20.99	Purchases  S IN INVENTORY  0	(Coal Fuel)		Sold	Inventory	Sale Date & Vintage Years
1,065		-				
1,065		-				
	0		0	0	1,065	
	S -	-		1 0	\$ 20.99	
	S -	\$ - \$ -	S -	\$ -	S 0.02	
\$ 0.02	3 -	3 -	3	3 -	3 0,02	
LOWANCES EBA	M PRA COAL P	TIPY				
		T			078	
The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon						
3 17.20	3	3	3	3	3 19.20	
				1		
LOWANCES FRO	OM EPA: OTHER	FUELS				
87	-	-	74		87	
\$ 1.71	s -	s -	s -	\$ -	\$ 1.71	
ROM PURCHASI	ES:					
0	0	0	0	0	0	
\$ -	\$ -	S -	s -	S -	s -	
\$ -	S -	s -	S -	S -	S -	
0	0	0	0	0	0	
0 S -	S -	\$ -	S -	\$ -	\$ -	
1	978 \$ 19.28 LOWANCES FRO 87 \$ 1.71 ROM PURCHASI	LOWANCES FROM EPA: COAL F	LOWANCES FROM EPA: COAL FUEL  978	LOWANCES FROM EPA: COAL FUEL  978	LOWANCES FROM EPA: COAL FUEL  978	LOWANCES FROM EPA: COAL FUEL  978 978 \$ 19.28 \$ - \$ - \$ - \$ 19.28  LOWANCES FROM EPA: OTHER FUELS  87 87 \$ 1.71 \$ - \$ - \$ - \$ 1.71  ROM PURCHASES:  0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2010

Inventory	Purchases	Utilized	Utilized		Ending	Allocation, Purchase, or
	1 drenases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	S IN INVENTORY	Y, ALL CLASSIFIC		4		
3,127	0	1,167	0	0	1,960	
\$ -	\$ -	\$ -	S -	\$ -	\$ -	
S -	S -	S -	S -	S -	S -	
LOWANCES FRO	OM EPA: COAL F	UEL				
3,037		1,167			1,870	
S -	\$ -	S -	\$ -	S -	\$ -	
LOWANCES FRO	OM EPA: OTHER	FUELS				
90	-			(a)	90	
\$ -	\$ -	\$ -	s -	\$ -	S -	
		•	•		•	
ROM PURCHAS	ES:					
0	0	0	0	0	0	
\$ -	\$ -	S -	S -	S -	s -	
S -	\$ -	S -	\$ -	S -	S -	
				- Annie	-	
		0	0	0	0	
0	0					
0 S -	S -	s -	S -	S -	S -	
	LOWANCES FROM PURCHAS	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2010

Environmental Compliance Plan						
O&M Expenses		Amount				
11th Previous Month	\$	179,707				
10th Previous Month		223,008				
9th Previous Month		208,670				
8th Previous Month		247,036				
7th Previous Month		286,117				
6th Previous Month		335,072				
5th Previous Month		125,444				
4th Previous Month		154,851				
3rd Previous Month		143,057				
2nd Previous Month		110,695				
Previous Month		165,844				
Current Month		94,372				
Total 12 Month O&M	\$	2,273,872				

Determination of Working Capi	ital Allowan	ce	
12 Months O&M Expenses	\$		2,273,872
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		284,234

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: October 31, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables	THE RESERVE TO SHEET	. 1		
506105 - NOx Operation Labor and Other		-	-	
512101 - NOx Maintenance	Called Ton Assess		-	-
Total 2001 Plan O&M Expenses	The second of the second			-
2005 Plan				
502006-Scrubber Operations	Service Services	ALEXA III TO AN ME	21,991.45	21,991.45
512005-Scrubber Maintenance		With a said said said		
Ashpond Dredging Expense	humbalaran a an a a	-		
Total 2005 Plan O&M Expenses		¥ 1	21,991.45	21,991.45
2006 Plan				
506109 - Sorbent Injection Operation		-	68,783.65	68,783.65
512102 - Sorbent Injection Maintenance	CHARLES OF STATE	2		-
506110 - Mercury Monitors Operation	-	-	-	
512103 - Mercury Monitors Maintenance		3,596.54	2	3,596.54
502006 - Scrubber Operations	NAME OF BUILDING	THE RESERVE OF	-	
512005 - Scrubber Maintenance				
506104 - NOx Operation Consumables				-
506105 - NOx Operation Labor and Other			2	
512101 - NOx Maintenance			-	
506001 - Precipitator Operation	EN LINES CO		- 1	-
506111 - Activated Carbon				
512011 - Precipitator Maintenance				
Total 2006 Plan O&M Expenses	S -	3,596.54	68,783.65	72,380.19
2009 Plan				
502012 - ECR Landfill Operations	-	S. Carlotte		
512105 - ECR Landfill Maintenance	2			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses	-			
Current Month O&M Expense for All Plans	TS -	3,596.54	90,775.10 [	94,371.64

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2010

On-Site CCP Disposal O&M Expense	Cane	Trimble County		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			T	
(1) 12 Months Ending with Expense Month	\$		\$	,
2) Monthly Amount [(1) / 12]	\$	9	\$	
2009 Plan Project			**************************************	
(3) Monthly Expense	\$		\$	
Total Generating Station			1	
(4) Monthly Expense [(2) + (3)]	\$	-	\$	
Base Rates			3	***************************************
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	i i	\$	
(6) Monthly Expense Amount [(5) / 12]	\$		\$	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	-
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	\$	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
djustment for Base Rate Amount (to ES Form 2.50)	1\$		TS	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: October 31, 2010

Third	OOM POSSESSES	DI .	T. 100
Party	O&M Expense Account	Plant	Total O&N
	111111111111111111111111111111111111111		0-10/ REPRETEDEN
- 1	3		
	Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission Commission	1	
		The second second second	
	ter and the late of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of t	A STATE	
Total Monthly Bene	ficial Reuse Expense		1\$
Adjustment for Bene	eficial Reuse in Base Rates (from ES Form 2	.61)	Ts
Net Beneficial Reus		350	\$

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2010

On-Site CCP Disposal O&M Expense	Cane Run Mill Creek		Trimble County		Total		
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					T .		
(1) 12 Months Ending with Expense Month	\$		\$		\$	-	
(2) Monthly Amount [(1) / 12]	S		\$		\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$		
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	- 4	S		\$	-	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	S		\$	-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	S		\$	>=	\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	s	-	\$		s	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(4)	\$		S		
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	1.8	-	18	: <u>-</u>	1\$	-	S

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# Attachment to Response to LGE KIUC-1 Question No. 19 Page 135 of 485 Conroy

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: October 31, 2010

			Kentucky Jurisdictional Revenues				Non- Jurisdictional Revenues	Total Company	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,7
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,7
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,5
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,9
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,2
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,4
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,4
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,5
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,3
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,0
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,1
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,9
	sdictional Revenues, Ex Current Expense Montl	cluding Environmental So				\$ 69,734,062			
risdictional Allocation	on Percentage for Curre	ent Month (Environmenta venues Divided by Expen			(7) / Column (10) =				85.51%
				165 165		and which	Note 1 - Excludes B Total	rokered Sales, for Current Month =	\$ 200,760

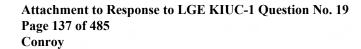
**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2010

		Revenues per Form 3.00		Revenues per ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	66,657,771	\$	66,657,771
Fuel Adjustment Clause	\$	2,094,966	\$	2,094,966
DSM	\$	1,020,320	\$	1,020,320
Environmental Surcharge			\$	(1,726,986)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	S	69,773,057		
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ \$	11,825,887 11,825,887	\$	11,825,887
Total Company Revenues for Environmental Surcharge Purposes =	\$	81,598,945		
Reconciling Revenues				
Brokered	\$	200,760	\$	200,760
InterSystem ( Transmission Portion Booked in Account 447)			\$	5)
Unbilled			\$	(10,173,304
Miscellaneous			\$	993,422
Total Company Revenues per Income Statement =			\$	70,892,837





Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

DEC 2 0 2010

PUBLIC SERVICE COMMISSION Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

December 20, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00502, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after December 30, 2010.

Please note that LG&E has revised the subaccount numbers and names shown on ES Form 2.50. Approved ECR-related O&M expenses were originally included in total O&M accounts; however, LG&E subsequently determined that separate identification and tracking of ECR-related O&M is more efficient. As such we have created new subaccounts and included the revised subaccount numbers on the form. Also, the word "ECR" has also been added to those subaccount names that did not previously include it.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

[&]quot;In November 2010, E.ON U.S. LLC was renamed LG&E and KU Energy LLC."

ES FORM 1.00

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of November 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 129,947

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

0.18%

Effective Date for Billing: January billing cycle beginning December 30, 2010

Submitted by:

Title: Director, Rates

Date Submitted: December 20, 2010

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of November 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	-	Rate of Return on the Environmental Compliance Rate Base
DR	-	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	(0)	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	lest.	Beneficial Reuse Operating Expenses

				Environmental Compliance Plans		
(1)	RB		=	S	72,115,766	
2)	RB / 12		=		6,009,647	
3)	(ROR + (ROR - I	OR) (TR / (1 - TR)))	-		10.97%	
4)	OE		=		190,507	
5)	BAS		=		-	
6)	BR		=		-	
7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	-	S	849,765	

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		83.47%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	S	709,299
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	94		
(11)	Prior Period Adjustment (if necessary)	=		
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=		709,299
(13)	Revenue Collected through Base Rates		\$	579,352
14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	-	\$	129,947
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month — ES Form 3.00	=	s	70,602,931
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14)+(15)]	-		0.18%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of November 2010

Determination of Environmental Compliance Rate Base

	Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$ 22,553,269		
Eligible Pollution CWIP Excluding AFUDC	53,197,712		
Subtotal		\$	75,750,981
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33			
Cash Working Capital Allowance	276,955		
Deferred Debit Balance Mill Creek Ash Dredging			
Subtotal			276,955
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	2,006,817		
Pollution Control Deferred Income Taxes	1,905,353		
Subtotal		SCHALLING.	3,912,170
Environmental Compliance Rate Base		\$	72,115,766

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 121,47
Monthly Depreciation & Amortization Expense	60,62
less investment tax credit amortization	**
Monthly Property and Other Applicable Taxes	8,41
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	
Less: Operating Expenses Associated with Retirements or Replacements	#:
Occuring Since Last Roll-In of Surcharge into Existing Rates	CORNER DE
Total Pollution Control Operations Expense	\$ 190,50

Determination of Beneficial Reuse Operating Expenses

	 onmental iance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	877.0
Net Beneficial Reuse Operations Expense	\$ 241

Proceeds From By-Product and Allowance Sales

		Γotal oceeds	The second second second	ount in e Rates	Pr	Net oceeds
		(1)		(2)	(1	) - (2)
Allowance Sales	\$		\$		\$	-
Scrubber By-Products Sales		17.1		-	1	-
Total Proceeds from Sales	S		\$		\$	<u> </u>

# Attachment to Response to LGE KIUC-1 Question No. 19 Page 141 of 485

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	P	ligible lant In Service	A	Eligible ecumulated epreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2010	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 – LGE NOx	s		s	4	s		s		\$			s		\$	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		s	3	s	(8)	s		s			s		s	
Net Total - 2001 Plan:	s		S		\$	-	\$		s			s		s	
2003 Plan:  Project 7 - Mill Creek FGD Scrubber Conversion  Project 8 - Precipitator Upgrades - All Plants  Project 9 - Clearwell Water System - Mill Creek  Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	• • • • • • • • • • • • • • • • • • • •	\$ \$ \$ \$	:	s s s	•	5 5 5	.* .* .*	\$ \$ \$ \$	* * *		\$ \$ \$ \$	*	s s s	
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s		s	•	s		s		5	•		s		s	
Net Total - 2003 Plan:	S		S		\$		S	7	5			5		S	
2005 Plan:  Project 11 - Special Waste Landfill Expansion at Mill Creek  Project 12 - Special Waste Landfill Expansion at Cane Run Station  Project 13 - Scrubber Refurbishment at Trimble County Unit 1  Project 14 - Scrubber Refurbishment at Cane Run Unit 6  Project 15 - Scrubber Refurbishment at Cane Run Unit 5  Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal  Less Retirements and Replacement resulting  from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$	406,452 312,570 89,594 43,655 1,231,349 2,083,620 (548,068)	\$ \$ \$ \$	1,671,726 519,757 - - - 2,191,483	\$ \$ \$ \$ \$	760,506 264,852	\$ \$ \$	241,996 272,155 81,578 18,544 1,066,982 1,681,254 (131,696)		\$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 	100	70 56 9 3 3 - 79 2,19
Net Total - 2005 Plan:	2	16,665,695		1,535,552		2,191,483		17,321,626	•	1,549,557		\$	40,616		2,1

# Attachment to Response to LGE KIUC-1 Question No. 19 Page 142 of 485

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2010

(1)	(2)	$\equiv$	(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2010	Monthly ITC Amortization Credit	1	Monthly Depreciation Expense	P	Monthly Property Tax Expense
		1					(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ 3,440, \$ 2,050, \$ 397,		239,515 166,694 65,056	S	43,454,673 444,939 -	s s s	43,454,673 3,645,501 1,883,653 332,095	S	236,158 47,243 72,395		\$ \$ \$	9,777 8,867 1,361	s s s	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 5,887,	74 S - S	471,265	s	43,899,612	s	49,315,921	s	355,796		s s	20,005	s s	6,145
Net Total - 2006 Plan:	\$ 5,887,	74 \$	471,265	S	43,899,612	5	49,315,921	\$	355,796		\$	20,005	s	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- S - S - S	:	s s s	613,325 5,545,388 944,564 3,340	S	613,325 5,545,388 944,564 3,340	S	:		5 5	•	s s s	33 120
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan				s	7,106,617	s	7,106,617	s			s		s	153
Net Total - 2009 Plan;	S	- 5		s	7,106,617	\$	7,106,617	5			s		s	153
Net Total - All Plans:	\$ 22,553,	269 \$	2,006,817	S	53,197,712	S	73,744,163	S	1,905,353		5	60,621	5	8,412

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: November 30, 2010

Vintage Year	Num	ber of Allowane	ces	Tot	al Dolla	ar Value Of Vintag	ge Yea	r	Comments and Explanations
A10000 SI	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual		NOx Ozone Season	
Current Year	127,675	763	1,065	\$ 2,851.25	S	*	\$	20.99	
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212		7				
2013	62,379	14,133	6,212						II III III III III III III III III III
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379		- 1						
2017	62,379								
2018	62,379				0				
2019	62,379								Anna - La Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de la Caracteria de
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030 - 2040	686,169								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of November 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
2000							
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	130,541	0	2,866		(		
Dollars	\$ 2,915.24		\$ 63.99		S -	\$ 2,851.25	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	-	\$ -	\$ 0.02	
ALLOCATED	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	122,220		2,841			119,379	
Dollars	\$ 2,729.42	\$ -	\$ 63.43	S -	s -	\$ 2,665.99	
Quantity	ALLOWANCES FRO		25			8,296	
Quantity Dollars	\$,321 \$ 185.82	\$ -			\$ -	\$ 185.26	
Quantity Dollars ALLOWANCE	8,321	\$ -	25				
Quantity Dollars  ALLOWANCE From Market:	8,321 \$ 185.82 S FROM PURCHAS	S -	25 \$ 0.56	\$	S -	\$ 185,26	
Quantity Dollars  ALLOWANCE From Market: Quantity	8,321 \$ 185.82 S FROM PURCHAS	ES:	25 \$ 0.56	s -	s -	\$ 185.26	
Quantity Dollars	8,321 \$ 185.82 S FROM PURCHAS	ES:	25 \$ 0.56	\$	S -	\$ 185,26	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	8,321 \$ 185.82 S FROM PURCHAS	ES:	25 \$ 0.56	s - s -	s	\$ 185.26	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU	8,321 \$ 185.82 S FROM PURCHAS 	ES:	25 \$ 0.56	\$ - \$ - \$ -	S - S - S -	\$ 185.26 - \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU Quantity	8,321 \$ 185.82 S FROM PURCHAS 	ES:	\$ 0.56	\$ - \$ - \$ -	s - s - s -	\$ 185.26 - \$ - \$ - \$	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	8,321 \$ 185.82 S FROM PURCHAS 	ES:	25 \$ 0.56	\$ - \$ - \$ -	S - S - S -	\$ 185.26 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of November 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Fulchases	(Con ruei)	(Other Fuers)	Solu	Inventory	Sale Date & Village Tears
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,065	0	. 0	0	0	1,065	
Dollars	\$ 20.99	\$ -	\$ -	\$ -	\$ -	\$ 20.99	
\$/Allowance	\$ 0.02	\$ -	\$ -	\$ -	S -	\$ 0.02	
WANTED TO THE PROPERTY.	Contraction and the Contract Market (MARKET)		u chen				
	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	978					978	
Dollars	\$ 19.28	\$ -	\$ -	\$ -	\$ -	\$ 19.28	
	ALLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	87		-		-	87	
			1	s -	\$ -	\$ 1.71	
Quantity	87		-	-			
Quantity Dollars	\$ 1.71	\$ -	-	-			
Quantity Dollars ALLOWANCE	87	\$ -	-	-			
Quantity Dollars  ALLOWANCE From Market:	\$ 1.71 S FROM PURCHAS	s -	s -	s -	\$ -	\$ 1.71	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71 S FROM PURCHAS	ES:	\$ -	0	0	\$ 1.71	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	87 \$ 1.71 S FROM PURCHAS 0 \$ -	ES: 0	0	0 5	0	\$ 1.71 0 \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71 S FROM PURCHAS	ES:	\$ -	0	0	\$ 1.71	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	87 \$ 1.71 S FROM PURCHAS 0 \$ -	ES: 0	0	0 5	0	\$ 1.71	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$\[S/Allowance]\$ From KU:	87 \$ 1.71 S FROM PURCHAS 0 \$ - \$ -	ES: 0 s - s -	0 \$ - \$	\$ - 0 \$ - \$ -	0 \$ -	\$ 1.71 0 \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$I/Allowance From KU: Quantity	87 \$ 1.71 S FROM PURCHAS 0 \$ - \$ -	ES: 0 s - s -	0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ 1.71 0 \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$\[S/Allowance]\$ From KU:	87 \$ 1.71 S FROM PURCHAS 0 \$ - \$ -	ES: 0 s - s -	0 \$ - \$	\$ - 0 \$ - \$ -	0 \$ -	\$ 1.71 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,960	0	1,197	0	0	763	
Dollars	\$ -	\$ -	\$ -	s -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	S -	\$ -	
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL I					
Quantity	1,870	-	1,197			673	
Dollars	s -	\$ -	S -	\$ -	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FRO	OM EPA: OTHER	FUELS -			90	
				s -	\$ -	90 \$ -	
Quantity Dollars  ALLOWANCES	90	\$ -	-				
Quantity Dollars  ALLOWANCES From Market:	90 \$ -	ES:	s -	s -	\$ -	s -	
Quantity Dollars  ALLOWANCES From Market: Quantity	90 \$ - S FROM PURCHAS	ES:	s - 0	s -	s -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	90 \$ -	ES: 0	0 \$	0	0 \$	0 5 -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	90 \$ - S FROM PURCHAS	ES:	s - 0	s -	s -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	90 \$ -	ES: 0	0 \$	0	0 \$	0 5 -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	90 \$ -	ES:  0 \$ -	0 5 -	\$ - 0 \$ - \$ -	0 \$ - \$	0 S - S -	
Quantity Dollars	S FROM PURCHAS  0 \$ -	ES:  0 \$ -	0 5 -	\$ - 0 \$ - \$ -	0 \$ - \$	0 S - S -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2010

Environmental Compliance Plan					
O&M Expenses		Amount			
11th Previous Month	\$	223,008			
10th Previous Month		208,670			
9th Previous Month		247,036			
8th Previous Month		286,117			
7th Previous Month		335,072			
6th Previous Month		125,444			
5th Previous Month		154,851			
4th Previous Month		143,057			
3rd Previous Month		110,695			
2nd Previous Month		165,844			
Previous Month		94,372			
Current Month		121,474			
Total 12 Month O&M	\$	2,215,639			

Determination of Working Cap	ital Allowance	
12 Months O&M Expenses	\$	2,215,639
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	276,955

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: November 30, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables		12	-	72
506155 - ECR NOx Operation Labor and Other	The second second		-	(rec
512151 - ECR NOx Maintenance	THE RESERVE OF THE PERSON NAMED IN	QES .		
Total 2001 Plan O&M Expenses				
2005 Plan		7.		
502056-ECR Scrubber Operations			22,286.43	22,286.43
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense		200		7-
Total 2005 Plan O&M Expenses		F#C	22,286.43	22,286.43
AAA/ N				
2006 Plan 506159 - ECR Sorbent Injection Operation	The second second second	-	97,488.41	97,488.41
512152 - ECR Sorbent Injection Maintenance	The second second		442.46	442.46
506150 - ECR Mercury Monitors Operation			442.40	442.40
512153 - ECR Mercury Monitors Maintenance		1,257.04		1,257.04
502056 - ECR Scrubber Operations		1,237,04	-	1,237.04
512055 - ECR Scrubber Maintenance	THE RESERVE TO SERVE THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY			-
506154 - ECR NOx Operation Consumables	THE RESERVE OF THE PERSON NAMED IN			
506155 - ECR NOx Operation - Labor and Other				-
512151 - ECR NOx Maintenance				-
506051 - ECR Precipitator Operation				
506151 - ECR Activated Carbon				
512051 - ECR Precipitator Maintenance				
Total 2006 Plan O&M Expenses	\$ -	1,257.04	97,930.87	99,187.91
*****				
2009 Plan 502012 - ECR Landfill Operations	-			-
512105 - ECR Landfill Maintenance				
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	<del></del>			
Net 2009 Plan O&M Expenses	-			
Current Month O&M Expense for All Plans	-	1,257.04	120,217.30	121,474.34

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: November 30, 2010

	On-Site CCP Disposal O&M Expense	Cane Run		Trimble County	
Existing	CCP Disposal Facilities (Pre 2009 Plan Project)				
	2 Months Ending with Expense Month	\$		\$	
	fonthly Amount [(1) / 12]	\$	•	\$	
2009 Pl	an Project				
(3) N	fonthly Expense	\$	-	\$	
Total G	enerating Station				
(4) N	fonthly Expense [(2) + (3)]	\$	-	\$	
Base Ra	ites				
(5) A	nnual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-
(6) N	fonthly Expense Amount [(5) / 12]	\$	-	\$	
(7) Total G	enerating Station Less Base Rates [(4) - (6)]	\$	-	\$	
(8) L	ess 2009 Plan Project [(7) - (3)]	\$	-	\$	-
If	Line (8) Greater than Zero, No Adjustment				
	Line (8) Less than Zero, Adjustment for Base Rates				
djustment for	r Base Rate Amount (to ES Form 2.50)	<b>  \$</b>	-	\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: November 30, 2010

Third			
Party	O&M Expense Account	Plant	Total O&M
	Today -		
otal Monthly Bene	ficial Reuse Expense		Is .
		The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	<del></del>
djustment for Bene	eficial Reuse in Base Rates (from ES Form 2.	61)	<b>S</b> -
et Beneficial Reuse			\$ .

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2010

On-Site CCP Disposal O&M Expense	Cane Run Mill Creek		eek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)	1					
(1) 12 Months Ending with Expense Month	\$ -	\$	12	\$	-	
(2) Monthly Amount [(1) / 12]	\$ -	\$	-	\$		
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	- \$ -	\$	-	\$	-	
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	s -	\$	-	\$	-	
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$	4	\$		
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$	-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$		\$	-	
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$ -	T\$	-	18	-	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2010

	Kentucky Jurisdictional Revenues							Total Company Revenues	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,7
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,5
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,90
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,26
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,46
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	. 66,603,43
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,10
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
	isdictional Revenues, Ex Current Expense Mont	cluding Environmental S h.	urcharge,			s 70,602,931			
furisdictional Allocati	ion Percentage for Curre	ent Month (Environmenta venues Divided by Expen			7) / Column (10) =		£		83.47%
							Note 1 - Excludes B Total	rokered Sales, for Current Month =	\$ 199,588.

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2010

	F	Revenues per	R	evenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	58,149,914	\$	58,149,914
Fuel Adjustment Clause	\$	1,624,586	\$	1,624,586
DSM	\$	798,900	\$	798,900
Environmental Surcharge			\$	(28,034
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	60,573,401		
Non -Jurisdictional Revenues				H
InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	11,992,836	\$	11,992,836
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	11,992,836		
Total Company Revenues for Environmental Surcharge Purposes =	\$	72,566,237		
Reconciling Revenues				
Brokered	\$	199,588	\$	199,588
InterSystem ( Transmission Portion Booked in Account 447)			\$	
Unbilled			\$	1,593,036
Miscellaneous			\$	1,143,549
Total Company Revenues per Income Statement =			\$	75,474,376



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602

JAN 18 2011

PUBLIC SERVICE COMMISSION

RECEIVED

January 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00242, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after January 28, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Louisville Gas and **Electric Company** State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

ES FORM 1.00

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of December 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

924,626

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

1.29%

Effective Date for Billing: February billing cycle beginning January 28, 2011

Submitted by:

Title: Director, Rates

Date Submitted: January 18, 2011

ES FORM 1.10

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of December 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	**	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	216	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	84	Total Proceeds from By-Product and Allowance Sales
BR	200	Beneficial Reuse Operating Expenses

			Environme	ntal Compliance Plans
1) RB		-	s	72,706,218
2) RB/12		da da		6,058,852
3) (ROR + (ROR -	DR) (TR / (1 - TR)))	10.		11.189
4) OE		=		244,720
5) BAS		-		73
6) BR		-		-
7) E(m)	(2) x (3) + (4) - (5) + (6)	-	S	922,027

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month - ES Form 3.00	=		83.46%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$		2	769,524
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242			795,605
(11)	Prior Period Adjustment (if necessary)	100		
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	200		1,565,129
(13)	Revenue Collected through Base Rates	-	S	640,503
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	s	924,626
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month — ES Form 3.00	*	s	71,544,113
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	-		1.29%

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2010

Determination of Environmental Compliance Rate Base

		Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	S	22,553,269		
Eligible Pollution CWIP Excluding AFUDC		53,900,918		
Subtotal			\$	76,454,187
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33				
Cash Working Capital Allowance		271,040		
Deferred Debit Balance Mill Creek Ash Dredging		-		
Subtotal	Title .	A STATE OF THE PARTY.		271,040
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant		2,070,876		
Pollution Control Deferred Income Taxes		1,948,133		
Subtotal		157. 115		4,019,009
Environmental Compliance Rate Base			\$	72,706,218

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 175,6
Monthly Depreciation & Amortization Expense	60,6
less investment tax credit amortization	
Monthly Property and Other Applicable Taxes	8,4
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 244,7

Determination of Beneficial Reuse Operating Expenses

		onmental iance Plan
Total Monthly Beneficial Reuse Expense	S	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		
Net Beneficial Reuse Operations Expense	S	

Proceeds From By-Product and Allowance Sales

	Total Proceeds		220000	ount in e Rates		Net Proceeds
	(1)			(2)		(1) - (2)
Allowance Sales	\$	73	S		\$	73
Scrubber By-Products Sales						
Total Proceeds from Sales	\$	73	\$		S	73

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Fax Balance as of 12/31/2010	Monthly ITC Amortization Credit	De	Monthly preciation expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)	_						
2001 Plan: Project 6 - LGE NOx	s		s	•	5		s		s			s		s	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		s	•	s s	-	\$ \$	¥	s	-	y.	s		s	
Net Total - 2001 Plan:	S	-	\$	7.	S		\$		s			\$		s	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	s s s	•	\$ \$ \$ \$	0.00	\$ \$ \$		s s s		\$ \$ \$	GE (24) (4) (5)		s s s	:	\$ \$ \$	•
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s		s	Je.	s		s s		s			s		s	
Net Total - 2003 Plan:	S	-	\$	-	S		S	-	5			S	+	S	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	s s s s s	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	s s s s	416,193 320,967 92,159 44,802 1,253,555 2,127,675 (548,068)	\$ \$ \$ \$	1,673,611 562,480 - - - 2,236,092	\$ \$ \$ \$ \$	5,864,526 4,972,082 757,942 263,706 6,107,523 17,965,778 (643,598)	\$ \$ \$ \$	247,557 278,600 83,631 18,715 1,084,012		\$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 22,206 44,055 (3,438)		700 564 99 35 -797 2,193
Net Total - 2005 Plan:	S	16,665,695	2	1,579,607	2	2,236,092	2	17,322,180	S	1,580,818		S	40,616	2	2,114

Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2010

(1)		(2)	(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	1 9	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2010	Monthly ITC Amortization Credit	E	Monthly Depreciation Expense		Monthly roperty Tax Expense
							(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	s s s	3,440,076 2,050,346 397,151	\$ 249,3 \$ 175,5 \$ 66,4	61 \$	43,308,528 444,939	\$ \$ \$	43,308,528 3,635,724 1,874,785 330,734	S	244,837 49,046 73,432		\$ \$ \$ \$	9,777 8,867 1,361	\$ \$ \$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	5,887,574	\$ 491,2	70 S	43,753,466	s	49,149,771	s	367,316		s	20,005	s	6,145
Net Total - 2006 Plan:	5	5,887,574	\$ 491,3	70 \$	43,753,466	S	49,149,771	s	367,316		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s s s		s s s	s s s	779,636 5,654,322 1,209,709 267,693	S	779,636 5,654,322 1,209,709 267,693	5	•		\$ \$ \$		\$ \$ \$	33 120 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s			s	7,911,360	s	7,911,360	s			s	•	s	153
Net Total - 2009 Plan:	s		S	S	7,911,360	5	7,911,360	5			s		S	153
Net Total - All Plans:	S	22,553,269	\$ 2,070,1	76 5	53,900,918	S	74,383,311	S	1,948,133		S	60,621	S	8,412

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: December 31, 2010

Vintage Year	Num	ber of Allowand	ces	Total	al Dolla	ar Value Of Vin	tage '	Year	Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual		NOx Ozone Season	
Current Year	121,259	777	1,065	\$ 2,707.97	\$		-	\$ 20.99	
2011	62,379	14,133	6,212						*
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030 - 2040	686,169								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of December 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	inventory	Purchases	(Coai ruei)	(Other Fuels)		2010	inventory	Sale Date & Vintage Tears
				272222				
			RY, ALL CLASSIFI				12722	
Quantity	127,675		0 3,169		0	3,247	121,259	
Dollars	\$ 2,851.25		\$ 70.77		- 5			
\$/Allowance	\$ 0.02	S -	\$ 0.02	! \$	- 5	0.02	\$ 0.02	
			****					
	ALLOWANCES FR			т				I.v.
Quantity	119,379		3,139			3,247		Allowances sold to KU.
Dollars	\$ 2,665.99	\$ -	\$ 70.10	3	- 5	72,51	\$ 2,523.38	
	ALLOWANCES FR			T.			8 266	
ALLOCATED Quantity Dollars	8,296 \$ 185,20	-	30		- 1		8,266 \$ 184.59	
Quantity Dollars	\$ 185.26	\$ -	30					
Quantity Dollars ALLOWANCE	8,296	\$ -	30					
Quantity Dollars  ALLOWANCE From Market:	\$ 185.26	\$ -	\$ 0.67					
Quantity Dollars ALLOWANCE	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67		-   5		\$ 184.59	
Quantity Dollars  ALLOWANCE From Market: Quantity	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67	S	- 15		\$ 184.59	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67	S	- 5		\$ 184.59	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67	S	- 5		\$ 184.59	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67	S	- 5		\$ 184.59	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU	8,296 \$ 185.26 S FROM PURCHA	SES:	\$ 0.67	S	- 3 - 5 - 5	\$ \$ \$	\$ 184.59 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of December 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	1 includes	(Com ruci)	(Other rucis)	Doid	Inventory 1	one one or things rous
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,065	0			0	1,065	
Dollars	\$ 20.99	\$ -	\$ -	\$ -	S -	\$ 20.99	
\$/Allowance	\$ 0.02	\$ -	s -	s -	\$ -	\$ 0.02	
ALLOCATED	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	978	-		-		978	
Dollars	\$ 19.28	\$ -	\$ -	S -	\$ -	\$ 19.28	
			Annual Annual Control of the				
ALLOCATED	ALLOWANCES FRO	OM EPA: OTHER	FUELS	DAY			
ALLOCATED Quantity	ALLOWANCES FRO	OM EPA: OTHER	FUELS -			87	
		-	_	s -	- S -	87 S 1.71	
Quantity	87	-					
Quantity Dollars	\$ 1.71	s -					
Quantity Dollars  ALLOWANCE	87	s -					
Quantity Dollars  ALLOWANCE From Market:	\$ 1.71	S -	s -	s -	\$ -		
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71 S FROM PURCHAS	S -	s -		\$ -	S 1.71	· · · · · · · · · · · · · · · · · · ·
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	87 \$ 1.71 S FROM PURCHAS 0 \$ -	ES: 0	0	0 5	0 5	\$ 1.7!	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71 S FROM PURCHAS	ES:	\$ -	s - 0	s -	\$ 1.71	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	87 \$ 1.71 S FROM PURCHAS 0 \$ -	ES: 0	0	0 5	0 5	\$ 1.7!	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	87 \$ 1.71 SS FROM PURCHAS 0 \$ - \$ -	ES: 0 \$ - \$ -	0 5 -	0 5 -	S - 0 S - S -	\$ 1.7! 0 \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity	87 \$ 1.71 S FROM PURCHAS 0 \$ -	ES: 0 \$ - \$ -	0 5 -	0 5 -	S - 0 S - S -	\$ 1.7! 0 \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	87 \$ 1.71 SS FROM PURCHAS 0 \$ - \$ -	ES: 0 \$ - \$ -	0 5 -	0 5 -	S - 0 S - S -	\$ 1.7! 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of December 2010

	Beginning Inventory		ocations/ rchases	Utilized (Coal Fuel)		Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWANC	ES IN IN	VENTORY	, ALL CLASSIFI	CAT	TIONS				
Quantity	76:		1,500	1,469		17	0		777	
Dollars	\$ -	S		S -	\$		S -	\$		
\$/Allowance	\$ -	\$		S -	\$		s -	\$		
ALLOCATED	ALLOWANCES FF	OM EPA	· COAL F	UEL.						· · · · · · · · · · · · · · · · · · ·
Quantity	67:	~		1,469	1			T	704	Ending Inventory includes purchase from KU as shown below
Dollars	S -	S	(¥)	s -	S		S -	S		
	ALLOWANCES FI	-	: OTHER	FUELS						
Quantity Dollars	\$ -	\$	A: OTHER	FUELS -	S	17	\$ -	\$	73	
Quantity Dollars ALLOWANCE	90	\$	-	-	S			S		
Quantity Dollars  ALLOWANCE From Market:	\$ -	SES:	*	\$ -			\$ -		•	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	SES:	- 0	\$ -		0	S -		0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ -	SES:	*	\$ - \$ -	) \$	0	\$ - 0 \$ -	\$	•	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PURCHA	SES:	0	\$ - \$ -		0	\$ - 0 \$ -		0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ -	SES:	0	\$ - \$ -	) \$	0	\$ - 0 \$ -	\$	0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	S FROM PURCHA  S -	SES:	0	\$ - \$ - \$ -	) \$	0	\$ - 0 \$ -	\$ \$	0	Purchase from KU - included in Ending Inventory - Coal Fue
Quantity Dollars  ALLOWANCE From Market: Quantity	S FROM PURCHA  S -	SES:	0	\$ - \$ - \$ -	)   \$   \$	0 -	\$ - \$ - \$ -	\$ \$	0	Purchase from KU - included in Ending Inventory - Coal Fuel as shown above.

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2010

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	208,670
10th Previous Month		247,036
9th Previous Month		286,117
8th Previous Month		335,072
7th Previous Month		125,444
6th Previous Month		154,851
5th Previous Month		143,057
4th Previous Month		110,695
3rd Previous Month		165,844
2nd Previous Month		94,372
Previous Month		121,474
Current Month		175,687
Total 12 Month O&M	\$	2,168,318

Determination of Working Cap	ital Allowar	nce	
12 Months O&M Expenses	\$	****	2,168,318
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		271,040

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables	STATE OF THE PARTY OF THE PARTY.	-		
506155 - ECR NOx Operation Labor and Other		-	-	-
512151 - ECR NOx Maintenance				
Total 2001 Plan O&M Expenses	SERVICE STATE	-	•	
2005 Plan				
502056-ECR Scrubber Operations	TENED MINING	CHARLES CHARLES	88,311.97	88,311.97
512055-ECR Scrubber Maintenance	The second second		-	-
Ashpond Dredging Expense		-		
Total 2005 Plan O&M Expenses		-	88,311.97	88,311.97
2006 Plan				
506159 - ECR Sorbent Injection Operation			83,365.41	83,365.41
512152 - ECR Sorbent Injection Maintenance			1,889.80	1,889.80
506150 - ECR Mercury Monitors Operation			-	
512153 - ECR Mercury Monitors Maintenance		2,120.31		2,120.31
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance				
506154 - ECR NOx Operation — Consumables	A PROPERTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE		-	
506155 - ECR NOx Operation - Labor and Other				<u> </u>
512151 - ECR NOx Maintenance				
506051 - ECR Precipitator Operation	The Part of the last of		•	
506151 - ECR Activated Carbon	AND RESIDENCE			
512051 - ECR Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$ -	2,120.31	85,255.21	87,375.52
2009 Plan				
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance	-	Million Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of th	-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		Getsell Mark		
Net 2009 Plan O&M Expenses				
Current Month O&M Expense for All Plans	TS -	2,120.31	173,567.18	175,687.49

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2010

	On-Site CCP Disposal O&M Expense		e Run	Trimble County		
E	xisting CCP Disposal Facilities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$	-	\$		
2)	Monthly Amount [(1) / 12]	\$	7	\$		
20	009 Plan Project			-		
(3)	Monthly Expense	\$	-	\$		
To	otal Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$	120	\$		
В	ase Rates					
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		
(6)	Monthly Expense Amount [(5) / 12]	\$		\$		
(7) To	otal Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		
(8)	Less 2009 Plan Project [(7) - (3)]	\$		\$		
	If Line (8) Greater than Zero, No Adjustment					
	If Line (8) Less than Zero, Adjustment for Base Rates	1				
liustm	ent for Base Rate Amount (to ES Form 2.50)	1 \$		1\$		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2010

Third	0.0147			
Party	O&M Expense Account	Plant	Total O&	۲M
		100000000000000000000000000000000000000		
				_
				_
	In the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the	+		_
				_
	I was a second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second o			_
	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon			_
otal Monthly Bene	ficial Reuse Expense		\$	-
djustment for Bene	.61)	\$	-	
et Beneficial Reus		\$	_	

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2010

	On-Site CCP Disposal O&M Expense		Cane Run		Mill Creek		e County	Total
E	xisting Beneficial Reuse Opportunities (Pre 2009 Plan Project)			Г		1		
(1)	12 Months Ending with Expense Month	S		\$	-	\$	-	
(2)	Monthly Amount [(1) / 12]	\$	-	\$	-	\$	-	
20	009 Plan Project 25							
(3)	Monthly Amount (Expense/Revenue)	\$	-	\$	•	\$	-	
T	otal Beneficial Reuse - Generating Station							
(4)	Monthly Expense [(2) + (3)]	\$		\$	-	\$	-	
В	eneficial Reuse in Base Rates							
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	•	\$	-	
(6)	Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	-	
(7) T	otal Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	-	\$	-	
(8)	Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$	-	
	If Line (8) Greater than Zero, No Adjustment							
	If Line (8) Less than Zero, Adjustment for Base Rates							
diustr	nent for Base Rate Amount (to ES Form 2.60)	T.S.		TS	-	TS		\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: December 31, 2010

			Kentucky Jurisdi	ctional Revenues			Non- Jurisdictional Revenues	Total Company	Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,51
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,90
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,26
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
12 Months Ending	Current Expense Month		17.05			s 71,544,113			
		ent Month (Environmenta venues Divided by Expen			(7) / Column (10) =				83.46%
	TE TON						Note 1 - Excludes B Total	rokered Sales, for Current Month = \$	181,024.00

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2010

	F	Revenues per	R	evenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	65,013,096	\$	65,013,096
Fuel Adjustment Clause	\$	2,253,831	\$	2,253,831
DSM	\$	1,167,812	\$	1,167,812
Environmental Surcharge			\$	26,808
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	68,434,739		
Non -Jurisdictional Revenues				
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	13,561,291	\$	13,561,291
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	13,561,291		
Total Company Revenues for Environmental Surcharge Purposes =	\$	81,996,030		
Reconciling Revenues				
Brokered	\$	181,024	\$	181,024
InterSystem ( Transmission Portion Booked in Account 447)			\$	-
Unbilled			\$	10,302,756
Miscellaneous			\$	1,244,829
Total Company Revenues per Income Statement =			\$	93,751,447

Attachment to Response to LGE KIUC-1 Question No. 19 Page 171 of 485 Conrov



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

FEB 18 2011
PUBLIC SERVICE
COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

February 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00242, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 28, 2011.

Please note that with Trimble County Unit 2 being placed in-service in January 2011, the ECR-related costs associated with the Air Quality Control Systems on Trimble County Unit 2 have been moved from CWIP to Plant-in-Service.

Additionally, LG&E revised ES Form 2.50 to include O&M Account 506152 – ECR Sorbent Reactant – Reagent Only. The expenses associated with the Sorbent Reactant – Reagent were originally included in the total O&M Account 506159; however, LG&E subsequently determined that separate identification and tracking of these costs is more efficient. As such, we have included this separate subaccount number on the form.

Attachment to Response to LGE KIUC-1 Question No. 19 Page 172 of 485 Conroy

Jeff DeRouen, Executive Director Public Service Commission of Kentucky February 18, 2011 Page Two

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of January 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 792,420

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

1.09%

Effective Date for Billing: March billing cycle beginning February 28, 2011

Submitted by: ≤

Title: Director, Rates

Date Submitted: February 18, 2011

ES FORM 1.10

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of January 2011

#### Calculation of Total E(m)

		OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR		Beneficial Reuse Operating Expenses

				Environmer	ntal Compliance Plans
(1)	RB		-	\$	72,440,628
(2)	RB/12		-		6,036,719
3)	(ROR + (ROR - I	DR) (TR / (1 - TR)))	=		11.189
(4)	OE		=		236,209
5)	BAS		-		52
6)	BR		-		
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	-	\$	911,062

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month - ES Form 3.00	-		81.57%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	S	743,153
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	-		795,605
(11)	Prior Period Adjustment (if necessary)	-		
(12)	Adjusted Jurisdictional $E(m)$ [(9) + (10) + (11)]	77		1,538,758
(13)	Revenue Collected through Base Rates	-	\$	746,338
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	-	\$	792,420
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	-	s	72,673,888
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	+		1.09%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

		Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$	65,553,070		
Eligible Pollution CWIP Excluding AFUDC		10,896,961		
Subtotal			\$	76,450,031
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33				
Cash Working Capital Allowance		257,567		
Deferred Debit Balance Mill Creek Ash Dredging		-		
Subtotal				257,567
Deductions:	43.0			Religion
Accumulated Depreciation on Eligible Pollution Control Plant		2,210,362		
Pollution Control Deferred Income Taxes		2,056,608		
Subtotal	100			4,266,970
Environmental Compliance Rate Base			\$	72,440,628

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 100,889
Monthly Depreciation & Amortization Expense	136,047
less investment tax credit amortization	(10,026
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	TE TOTAL
Total Pollution Control Operations Expense	\$ 236,209

**Determination of Beneficial Reuse Operating Expenses** 

	2000	nmental nce Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		
Net Beneficial Reuse Operations Expense	\$	

Proceeds From By-Product and Allowance Sales

		eeds	ount in Rates	]	Net Proceeds
	(	1)	(2)		(1) - (2)
Allowance Sales	S	52	\$ -	\$	52
Scrubber By-Products Sales		•			
Total Proceeds from Sales	\$	52	\$	S	52

Page 1 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2011	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)				/			
2001 Plan: Project 6 - LGE NOx	s	(4)	s	+	s	¥	s		s			s		s	2
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s	-	\$	-	\$	-	s	9	s	2	5	S	- 4	S	8
Net Total - 2001 Plan:	18	-	S		\$		S		S			s		S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4  Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ \$ \$ \$ \$	181 181 181 181	\$ \$ \$ \$		\$ \$ \$ \$		\$ \$ \$ \$		\$ \$ \$ \$			\$ \$ \$ \$		\$ \$ \$ \$	:
Net Total - 2003 Plan:	2	797	S	-	\$		\$	-	S			\$	-	S	-
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$ \$	425,934 329,363 94,723	\$ \$ \$ \$ \$	1,673,611 562,431 - - - - 2,236,042	s s s s	5,854,785 4,963,636 755,377 262,559 6,085,317 17,921,674 (643,598)	\$ \$ \$ \$ \$	252,416 284,317 85,633 18,845 - 1,100,651 1,741,862 (131,696)		\$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055 (3,438)	\$ \$ \$ \$ \$	733 622 95 33 - 763 2,246
Net Total - 2005 Plan:	S	16,665,695	S	1,623,661	S	2,236,042	\$	17,278,076	S	1,610,166		S	40,616	\$	2,16

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2011

(1)	(2)	+	(3)	(4)		(5)	(9)	ω	(8)	0	(6)
Description	Eligible Plant In Service	nix-11	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of	Monthly ITC Amortization Credit	Monthly n Depreciation Expense	thly siation ense	Monthly Property Tax Expense
						(2)-(3)+(4)					
JAK Dian										7	
Project 18 - TC2 AOCS Equipment	\$ 42,99	\$ 108,999,801	75,426	54	5	42,924,375	\$ 68,111	\$ 10,026	8 9	75,426	5,414
Project 19 - Sorbent Injection	3,44	3,440,076 \$	259,068	55	444,939 \$	_	\$ 253,370	200		1777.6	5 454
Project 20 - Mercury Monitors	\$ 2,05	2,050,346 \$	184,428	65	59	1,865,918	\$ 50,513		s	8,867	\$ 234
Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 39	397,151 \$	877,778	55	59	329,373	\$ 74,448	(DC)	S	1,361	4
Subtotal	\$ 48,88	48,887,375 \$	586,700	\$ 444	444,939 \$	48,745,613	\$ 446,442	\$ 10,026	59	95,431	\$ 6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	s		(*)	s		•	,		8		
Net Total - 2006 Plan:	\$ 48,88	48,887,375 \$	\$ 86,700 \$	П	444,939 \$	48,745,613 \$	\$ 446,442 \$		10,026 \$	95,431 \$	
2009 Plan: Project 22 - Care Run CCP Storage (Landfill - Phase I)				58	854 538	854 538			•	,	onro
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)				150	_				1 69	,	207
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	6		٠		,249,933 \$	1,249,933			'n	,	
Project 25 - Beneficial Reuse	s		٠	\$ 286	286,415 \$	286,415	•		s	,	
Subtotal	s			\$ 8,215	\$ 975,515,8	8,215,979			5		686 \$
Less Retirements and Replacement resulting from implementation of 2009 Plan	ч			и	9	7.	•		9		s
Net Total - 2009 Plan:	8		٠	\$ 8,215	8,215,979 \$	8,215,979			s		686 <b>\$</b>
No Test All Bloom	35 39	9 020 833 33	3 638.016.6		3 190 908 01	3 899 010 77	3 809 930 6		10.00	136 047 8	0000

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2011

Vintage Year	Num	ber of Allowand	ces	F	Total Dollar	Value Of Vintage	Year		Comments and Explanations
10111 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011 - 1011	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual	NOx Ozone Se		
Current Year	176,583	13,352	7,277	\$ 2,6	03.92 \$		\$	20.99	
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								107
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379				-				
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379			_					
2030	62,379						5. 1		
2031 - 2040	623,790						1,		

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of January 2011

	Beginning	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	3010	inventory	Sale Date & Village Tears
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS		V 1 77	
Quantity	183,638	0	3,536	. 0		176,583	
Dollars	\$ 2,707.97	\$ -	\$ 52.16		\$ 51.89	\$ 2,603.92	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -0.01	\$ 0.01	*
			ANDRONO				
ALLOCATED	ALLOWANCES FRO	OM EPA: COAL F	UEL	î			Allowances sold to KU (3,519); Beginning inventory balance include
Quantity	175,372		3,485		3,519		62,379 allowances for 2011.
Dollars	\$ 2,523.38	\$ 62.69	\$ 51.40	-	\$ 51.89	\$ 2,482.78	
	ALLOWANCES FR						
ALLOCATED	ALI OWANCES FRO	OM FPA: OTHER	FUELS				
ALLOCATED Quantity	ALLOWANCES FR		51			8,215	
			51		-   \$ -	8,215 \$ 121.14	
Quantity	8,266		51				
Quantity Dollars	8,266	\$ (62.69)	51				
Quantity Dollars ALLOWANCE	\$,266 \$ 184.59	\$ (62.69)	51				
Quantity Dollars  ALLOWANCE From Market: Quantity	\$,266 \$ 184.59	\$ (62.69)	51				
Quantity Dollars	8,266 \$ 184.59 ES FROM PURCHAS	\$ (62.69)	51 \$ 0.76	\$ - \$ -	\$ - \$ -	\$ 121.14	
Quantity Dollars  ALLOWANCE From Market: Quantity	8,266 \$ 184.59 ES FROM PURCHAS	\$ (62.69)	51 0.76	-	\$ -	\$ 121.14	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	8,266 \$ 184.59 ES FROM PURCHAS	ES:	51 \$ 0.76	\$ - \$ -	\$ - \$ -	\$ 121.14	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU	8,266 \$ 184.59 ES FROM PURCHAS	ES: - \$ - \$ -	51 \$ 0.76	\$ - \$ -	\$ - \$ -	\$ 121.14	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU Quantity	8,266 \$ 184.59 ES FROM PURCHAS 	ES: - \$ - \$ -	\$ 0.76	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 121.14 	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU	8,266 \$ 184.59 ES FROM PURCHAS - \$ - \$ -	ES: - \$ - \$ -	\$ 0.76	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 121.14 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of January 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	ATIONS			
Quantity	7,277	0	0	0	0	7,277	
Dollars	\$ 20.99	S -	\$ -	s -	\$ -	\$ 20.99	
\$/Allowance	s -	\$ -	\$ -	\$ -	s -	\$ -	
			CASCAGE I	1.460			,
	ALLOWANCES FRO	OM EPA: COAL F	UEL				I
Quantity	7,106	-			-	7,106	Beginning balance includes 6,128 allowances for 2011
Dollars	\$ 19.28	\$ 1.21	\$ -	\$ -	\$ -	\$ 20,49	
	171			9		171	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE	\$ 1.71 \$ 1.71 S FROM PURCHAS	\$ (1.21)		\$ -	S -	171 \$ 0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars	S 1.71	\$ (1.21) ES:	s -	\$	S -	\$ 0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71	\$ (1.21)	s - 0	0	S -		Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PURCHAS  0 S -	\$ (1.21) ES: 0	0	0	0 5 -	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1.71 S FROM PURCHAS	\$ (1.21) ES:	s - 0	0	s -	\$ 0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PURCHAS  0 S -	\$ (1.21) ES: 0	0	0	0 5 -	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PURCHAS  0 S -	\$ (1.21) ES: 0	0	0	0 5 -	0.50 0 0 0 0 0	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	\$ 1.71 S FROM PURCHAS 0 \$ - \$ -	S (1.21)  ES:  0  S -  S -	0 5 -	0 5 -	0 5 -	0.50 0 0 0 0 0	Beginning balance includes 84 allowances for 2011

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of January 2011

	Beginning Inventory		ations/ hases	Utilized (Coal Fuel)		Utilized ther Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWANCI	S IN INV	ENTORY	. ALL CLASSIFIC	CATIONS						
Quantity	14,910		0	1,556		2		0		13,352	
Dollars	s -	S		\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$ -	S	2.00	\$ -	S	¥	\$	¥	S	5	
		-585/25000000000	2,585.1,02,650.0	ne Producti			-				
the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	ALLOWANCES FR		COAL F		r						I=
Quantity	14,734			1,556	CONTRACTOR OF THE REAL PROPERTY.		-			13,178	Beginning balance includes 14,030 allowances for 2011
Dollars	\$ -	\$	×	\$ -	\$		\$	=	\$	7.	
	ALLOWANCES FR		OTHER -	FUELS -		2		2		174	Beginning balance includes 103 allowances for 2011
Quantity Dollars	ALLOWANCES FR 176 \$ -	\$			\$	- 2	\$	¥ , U	S	174	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE	\$ -	\$	(4		s	2	\$		\$	=======================================	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	SES:	(4			- 0			\$		Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ -	SES:		\$ - \$ -	\$	7	S		\$	=======================================	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	SES:	0	\$ -		7		0		0	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PURCHA	SES:	0	\$ - \$ -	\$	0	S	0	\$	0	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	S FROM PURCHA	SES:	0	\$ - \$ - \$ -	\$ \$	0	\$ \$	0	\$ \$	0	Beginning balance includes 103 allowances for 2011
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PURCHA	SES:	0	\$ - \$ - \$ -	\$ \$	0	\$ \$	0	\$ \$	0	Beginning balance includes 103 allowances for 2011

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2011

Environmental Compliance Plan							
O&M Expenses	Amount						
11th Previous Month	\$	247,036					
10th Previous Month		286,117					
9th Previous Month		335,072					
8th Previous Month		125,444					
7th Previous Month		154,851					
6th Previous Month		143,057					
5th Previous Month		110,695					
4th Previous Month		165,844					
3rd Previous Month		94,372					
2nd Previous Month		121,474					
Previous Month		175,687					
Current Month		100,889					
Total 12 Month O&M	. \$	2,060,538					

Determination of Working Cap	ital Allowar	ice	
12 Months O&M Expenses	\$		2,060,538
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		257,567

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables			-	-
506155 - ECR NOx Operation Labor and Other			-	
512151 - ECR NOx Maintenance			- 1	
Total 2001 Plan O&M Expenses		- 1	* 1	-
2005 Plan				
502056-ECR Scrubber Operations	THE RESERVE		40,777.14	40,777.14
512055-ECR Scrubber Maintenance			- 1	
Ashpond Dredging Expense				-
Total 2005 Plan O&M Expenses			40,777.14	40,777.14
2006 Plan				
506159 - ECR Sorbent Injection Operation	THE PERSON NAMED IN	- 1	7,777.35	7,777.35
506152 - ECR Sorbent Reactant - Reagent Only		-	38,590.38	38,590.38
512152 - ECR Sorbent Injection Maintenance			94.26	94.26
506150 - ECR Mercury Monitors Operation	-	97		
512153 - ECR Mercury Monitors Maintenance	-	270.55	-	270,55
502056 - ECR Scrubber Operations			4,989.02	4,989.02
512055 - ECR Scrubber Maintenance	THE RESERVE TO SHARE THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY		2,263.03	2,263.03
506154 - ECR NOx Operation - Consumables			5,504.32	5,504.32
506155 - ECR NOx Operation Labor and Other			285.96	285.96
512151 - ECR NOx Maintenance	Server I Albert Children		52.40	52.40
506051 - ECR Precipitator Operation			-	*
506151 - ECR Activated Carbon			-	*
512051 - ECR Precipitator Maintenance			284.55	284.55
Total 2006 Plan O&M Expenses	-	270.55	59,841.27	60,111.82
2009 Plan				
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance		TAR LANGE		
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	2	E-1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	2	
Net 2009 Plan O&M Expenses				
			100.710.71	
Current Month O&M Expense for All Plans	5	270.55	100,618.41	100,888.96

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: January 31, 2011

	On-Site CCP Disposal O&M Expense	Car	ne Run	Trimble County	
	xisting CCP Disposal Facilities (Pre 2009 Plan Project)				
(1)	12 Months Ending with Expense Month	\$	-	\$	
(2)	Monthly Amount [(1) / 12]	\$		\$	
20	009 Plan Project			-	
(3)	Monthly Expense	\$	-	\$	
T	otal Generating Station				
(4)	Monthly Expense [(2) + (3)]	\$		\$	
В	ase Rates				
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$	1
(6)	Monthly Expense Amount [(5) / 12]	\$		\$	7.
(7) To	otal Generating Station Less Base Rates [(4) - (6)]	\$		\$	- 1
(8)	Less 2009 Plan Project [(7) - (3)]	\$	-	\$	
	If Line (8) Greater than Zero, No Adjustment				
	If Line (8) Less than Zero, Adjustment for Base Rates				
diustm	ent for Base Rate Amount (to ES Form 2.50)	IS		T\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2011

Third				
Party	O&M Expense Account	Plant	Total	O&M
otal Monthly Bene	ficial Reuse Expense		\$	
djustment for Bene	eficial Reuse in Base Rates (from ES Form 2.	61)	\$	-
et Beneficial Reuse			\$	

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2011

On-Site CCP Disposal O&M Expense	Car	e Run	ın Mill Creek		Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					T -		
(1) 12 Months Ending with Expense Month	\$	-	\$	3	\$	_	
(2) Monthly Amount [(1) / 12]	\$	-	\$	-	\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		\$	2 <del>0</del>	
Total Beneficial Reuse - Generating Station	(E)		-				
(4) Monthly Expense [(2) + (3)]	\$		\$		\$	24	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		\$		
(6) Monthly Expense Amount [(5) / 12]	\$		\$		\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$		\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$		\$	K.	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	1.\$	-	1\$		TS		I \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: January 31, 2011

	Kentucky Jurisdictional Revenues							Total Company Revenues	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Feb-10	62,148,756	96,267	1,383,572	1.807.451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,90
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,26
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,46
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,43
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90.875.356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	. 76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
기타기 하는 사람들은 아이들이 가는 사람이 되었다.	sdictional Revenues, Ex-	cluding Environmental S	urcharge,			\$ 72,673,888			
		ent Month (Environmenta venues Divided by Expen			7) / Column (10) =				81.57%
							Note 1 - Excludes B Total	rokered Sales, for Current Month =	\$ (7,240.9

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2011

4 ×		Revenues per Form 3.00	The last of	evenues per ome Statement
Kentucky Retail Revenues			0	
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	76,121,173	\$	76,121,173
Fuel Adjustment Clause	\$	3,138,445	\$	3,138,445
DSM	\$	1,766,317	\$	1,766,317
Environmental Surcharge	ly.		\$	146,568
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	81,025,935		
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	18,303,562 18,303,562	\$	18,303,562
Total Company Revenues for Environmental Surcharge Purposes =	\$	99,329,497		
Reconciling Revenues				
Brokered	\$	(7,241)	\$	(7,241
InterSystem ( Transmission Portion Booked in Account 447)			\$	2
Unbilled	1/		\$	(8,562,046
Miscellaneous	47.		\$	1,189,957
Total Company Revenues per Income Statement =			\$	92,096,735



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

MAR 1 8 2011
PUBLIC SERVICE
COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

March 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00242, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after March 30, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

1.41%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of February 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue

Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 1,025,872

Effective Date for Billing: April billing cycle beginning March 30, 2011

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

Title: Director, Rates

Date Submitted: March 18, 2011

ES FORM 1.10

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of February 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	-	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	-	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	***	Beneficial Reuse Operating Expenses

5			Environmen	ital Compliance Plans
1) RB		=		72 265 045
			3	72,365,045
2) RB/12		=		6,030,420
<ol> <li>(ROR + (ROR - I</li> </ol>	OR) (TR / (1 - TR)))			11.18%
4) OE		=		366,283
5) BAS		=		103
6) BR				2
7) E(m)	(2) x (3) + (4) - (5) + (6)	=	S	1,040,381

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	-		82.87%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	\$	862,164
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242			795,605
(11)	Prior Period Adjustment (if necessary)	24		
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	<b>*</b>		1,657,769
(13)	Revenue Collected through Base Rates	=	S	631,897
14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	Ŧ.	S	1,025,872
15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	72,968,060
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		1.41%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of February 2011

Determination of Environmental Compliance Rate Base

	Environmental C	ompliance Plan
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,127,475	
Subtotal		\$ 76,680,545
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	246,693	
Deferred Debit Balance Mill Creek Ash Dredging		
Subtotal		246,693
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,425,274	
Pollution Control Deferred Income Taxes	2,136,919	
Subtotal		4,562,193
Environmental Compliance Rate Base	Safe Separate Social	72,365,045

**Determination of Pollution Control Operating Expenses** 

		iromental diance Plan
Monthly Operations & Maintenance Expense	S	160,038
Monthly Depreciation & Amortization Expense		211,473
less investment tax credit amortization		(14,527
Monthly Property and Other Applicable Taxes		9,299
Monthly Insurance Expense		-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		-
Monthly Permitting Fees		-
Amortization of Monthly Mill Creek Ash Dredging		
Less: Operating Expenses Associated with Retirements or Replacements		-
Occuring Since Last Roll-In of Surcharge into Existing Rates	100	NAME OF TAXABLE
Total Pollution Control Operations Expense	S	366,283

Determination of Beneficial Reuse Operating Expenses

		onmental iance Plan
Total Monthly Beneficial Reuse Expense	S	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	

Proceeds From By-Product and Allowance Sales

		Fotal oceeds	ount in e Rates		Net oceeds
		(1)	(2)	(1)	- (2)
Allowance Sales	S	103	\$	S	103
Scrubber By-Products Sales		-			
Total Proceeds from Sales	\$	103	\$	S	103

Page 1 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/28/2011	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s		s		s		s		s			s		s	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		s		s		s		s			s		s	
Net Total - 2001 Plan:	S		\$	-	s		5		S			S		5	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$		\$ \$ \$		s s s	3 6 6	s s s		s s s	:		\$ \$ \$ \$		\$ \$ \$ \$	:
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s		s		s		s		s			s		s	-
Net Total - 2003 Plan:	s		S		S		\$		S			\$		\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	97,288 47,095 1,297,966 2,215,784	\$ \$ \$ \$	1,674,354 574,396 - - - 2,248,750	\$ \$ \$ \$	5,845,787 4,967,204 752,813 261,412 6,063,111	\$ \$ \$ \$	257,276 299,034 87,635 18,975 - 1,117,291	,	\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 22,206 44,055	s s s	733 622 93 33 - 763
from implementation of 2005 Plan	s	(1,191,665)	14	(548,068)		•	s	(643,598)		(131,696)		S	(3,438)		(8
Net Total - 2005 Plan:	S	16,665,695	5	1,667,716	5	2,248,750	5	17,246,729	\$	1,639,514		\$	40,616	.5	2,16

# Attachment to Response to LGE KIUC-1 Question No. 19 Page 194 of 485 Conroy

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2011

(1)	(2	2)	(3)	-	(4)		(5)		(6)		(7)		(8)		(9)
Description	Elig Plan Serv	nt In	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/28/2011	ITC	Monthly C Amortization Credit	1	Monthly Depreciation Expense	)	Monthly Property Tax Expense
							(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors		42,999,801 3,440,076 2,050,346 397,151	\$ 226,279 \$ 268,845 \$ 193,295 \$ 69,139	S	11,430 444,939 -			5	108,057 261,903 51,980 75,465	s	14,527	\$ \$ \$	150,853 9,777 8,867 1,361	s s s	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	48,887,375	\$ 757,558 \$ -	s	456,369	s	48,586,186	s	497,405	s	14,527	s	170,857	s	6,144
Net Total - 2006 Plan:	\$	48,887,375	\$ 757,558	\$	456,369	s	48,586,186	s	497,405	S	14,527	S	170,857	S	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s s s	•	s - s - s -	s s s	931,134 5,837,209 1,339,520 314,494	S	931,134 5,837,209 1,339,520 314,494	5	:			\$ \$ \$	:	s s s	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	•	s -	s	8,422,356	s	8,422,356	s				S		s	989
Net Total - 2009 Plan;	s	-	\$ -	S	8,422,356	\$	8,422,356	5	•			s		\$	98
Net Total - All Plans:	5	65,553,070	\$ 2,425,274	S	11,127,475	S	74,255,271	S.	2,136,919	5	14,527	S	211,473	S	9,299

Note 1: Trirnble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: February 28, 2011

Vintage Year	Num	ber of Allowand	ces	Tot	al Dolla	ar Value Of Vinta	age Year	T.	Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual		NOx Ozone Season	
Current Year	166,952	12,125	7,277	\$ 2,461.90	S		-   \$	20.99	
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031 - 2040	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of February 2011

	Beginning Inventory		Allocations/ Purchases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWAN	CES	IN INVENTORY	, ALL CLASSIF	ICA	TIONS					
Quantity	176,		0	2,61		0	Т	7,013		166,952	
Dollars	\$ 2,603		S -	\$ 38.6		S -	\$	103.42	\$	2,461.90	
\$/Allowance		01		\$ 0.0			\$	0.01		0.01	
ALLOCATED	ALLOWANCES	FRO	M EPA: COAL F	UEL							
Quantity	168,			2,57	12		100	7,013		158,783	Allowances sold to KU (7,013)
Dollars	\$ 2,483		\$ -		2	\$ -	S	103.42	S	2,341.44	
Quantity	8,	15	M EPA: OTHER	4	16	-	18	*	\$	8,169 120.46	
Quantity Dollars	\$ 12	15	\$ -		_	\$ -	S	÷	\$	8,169 120.46	
Quantity Dollars ALLOWANCE	8,	15	\$ -	4	_		S		\$		
Quantity Dollars  ALLOWANCE From Market:	\$ 12	15 14 (ASE	S -	\$ 0.6	_	\$ -	S	-	s	120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 12	15 .14 (ASE	S -	\$ 0.6	58	s -				120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 12	15 14 (ASE	\$ - 2S:	\$ 0.6	58	s - s -	S	-	S	120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 12	15 14 (ASE	S -	\$ 0.6	58	s -				120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ 12	15 14 (ASE	\$ - 2S:	\$ 0.6	58	s - s -	S		S	120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ 12	15 14 (ASE	S - S - S - S - S - S - S - S - S - S -	\$ 0.6	58	\$ - \$ - \$ -	S	-	S	120.46	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 12	(ASE	\$ - 2S:	\$ 0.6	58	s - s -	S		S	120.46	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of February 2011

	Beginning Inventory	Allocations/ Purchases	Util (Coal		Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTOR	Y, ALL CL	ASSIFIC	ATIONS				
Quantity	7,277		0	0	0		0	7,277	
Dollars	\$ 20.99	\$ -	\$	8#1	\$ -	\$ -	\$	20.99	
\$/Allowance	S -	\$ -	\$		\$ -	\$ -	S		
ALLOCATED A	ALLOWANCES FRO	-	FUEL						
Quantity	7,106				15			7,106	
Dollars	\$ 20.49	\$ -	\$		\$ -	\$ -	\$	20.49	
ALLOCATED A	ALLOWANCES FR	OM EPA: OTHE	R FUELS						
Quantity	171	-		•	-	-		171	
	Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Contro	-	R FUELS	•	s -	s -	S	171 0.50	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 0.50 S FROM PURCHAS 0 \$ -	S -	0 5	0	0	\$ -	0 \$	0.50	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ 0.50 S FROM PURCHAS	S -	S 0	0	0	s -	0	0.50	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 0.50 S FROM PURCHAS 0 \$ -	S -	0 5	0	0	\$ -	0 \$	0.50	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU: Quantity	\$ 0.50 S FROM PURCHAS 0 \$ -	ES:	0 5	0	0	\$ - \$ - \$ -	0 \$	0.50	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	171 \$ 0.50 S FROM PURCHAS 0 \$ - \$ -	ES:	0 5	0	S - 0 S - S	\$ - \$ - \$ -	0 \$	0.50	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of February 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMIS	SION ALLOWANCE	S IN INVENTOR	V ALL CLASSIEIG	CATIONS			
Quantity	13,352				0	12,125	
Dollars	S -	\$ -	\$ -	\$ -	s -	\$ -	
\$/Allowance	s -	\$ -	S -	\$ -	S -	s -	
ALLOCATED	ALLOWANCES FR	OM EPA: COAL	FUEL				
Quantity	13,178	-	1,227	-		11,951	
Dollars	\$ -	\$ -	S -	\$ -	\$ -	\$ -	
The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon	ALLOWANCES FR		T				
Quantity	174					174	
The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon			T	s -	s -	174 \$ -	
Quantity	174						
Quantity Dollars	\$ -	s -					
Quantity Dollars  ALLOWANCE	174	s -					
Quantity Dollars  ALLOWANCE From Market:	\$ -	SES:	- S -	s -	\$	\$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	SES:	\$ -	s -	0	\$ - 0	
Quantity Dollars  ALLOWANCE From Market:	\$ -	SES:	0 \$	0 \$	0	0 \$	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ -	SES:	s - 0	s - 0 s -	0	s - 0 s -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ -	SES:	0 \$	0 \$	0	0 \$	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	\$ -	SES:	0 \$ -	S - 0 S - S - S	0 \$ -	\$ - 0 \$ - \$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	174 \$ - ES FROM PURCHAS 0 \$ - \$ -	SES:	0 \$ -	S - 0 S - S - S	0 \$ -	\$ - 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	286,117
10th Previous Month		335,072
9th Previous Month		125,444
8th Previous Month		154,851
7th Previous Month		143,057
6th Previous Month		110,695
5th Previous Month		165,844
4th Previous Month		94,372
3rd Previous Month		121,474
2nd Previous Month		175,687
Previous Month		100,889
Current Month		160,038
Total 12 Month O&M	\$	1,973,540

Determination of Working Capi	tal Allowar	ice	
12 Months O&M Expenses	\$		1,973,540
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		246,693

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 28, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation - Consumables	THE PARTY OF THE PARTY.		-	-
506155 - ECR NOx Operation Labor and Other	ROSE TO SERVICE AND ADDRESS OF THE PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TWO PERSON NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN TRANSPORT NAMED IN COLUMN	-	-	-
512151 - ECR NOx Maintenance		-		
Total 2001 Plan O&M Expenses			-	-
2005 Plan				
502056-ECR Scrubber Operations	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	X ( 28 S S S	55,771.57	55,771.57
512055-ECR Scrubber Maintenance				-
Ashpond Dredging Expense				
Total 2005 Plan O&M Expenses	CARREST ASE		55,771.57	55,771.57
2006 Plan				
506159 - ECR Sorbent Injection Operation	SHAPE OF THE PROPERTY.		7,055.45	7,055.45
506152 - ECR Sorbent Reactant - Reagent Only	A STATE OF STREET	-	37,726.33	37,726.33
512152 - ECR Sorbent Injection Maintenance			443.43	443.43
506150 - ECR Mercury Monitors Operation	-		-	-
512153 - ECR Mercury Monitors Maintenance	-	8,996.11	-	8,996.11
502056 - ECR Scrubber Operations			12,009,53	12,009.53
512055 - ECR Scrubber Maintenance			5,170.82	5,170.82
506154 - ECR NOx Operation Consumables	THE RESIDENCE		18,102.67	18,102.67
506155 - ECR NOx Operation - Labor and Other	and the state of the state of	ARCHIOL STREET	401.38	401.38
512151 - ECR NOx Maintenance			174.61	174.61
506051 - ECR Precipitator Operation	THE RESERVE			-
506151 - ECR Activated Carbon	THE RESERVE THE PARTY NAMED IN		13,092.99	13,092.99
512051 - ECR Precipitator Maintenance	THE RESERVE OF THE PERSON NAMED IN	A THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE	1,093.49	1,093.49
Total 2006 Plan O&M Expenses	S -	8,996.11	95,270.70	104,266.81
2009 Plan				
502012 - ECR Landfill Operations		SCHOOL STREET		
512105 - ECR Landfill Maintenance				-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				-
Net 2009 Plan O&M Expenses				
Current Month O&M Expense for All Plans	18 -	8,996.11	151,042,27	160,038.38

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2011

On-Site CCP Disposal O&M Expense		Cane Run	Trimb	le County
Exi	sting CCP Disposal Facilities (Pre 2009 Plan Project)			
(1)	12 Months Ending with Expense Month	\$	\$	
(2)	Monthly Amount [(1) / 12]	\$	\$	-Maranta
200	9 Plan Project			
(3)	Monthly Expense	\$	\$	
Tot	al Generating Station			
(4)	Monthly Expense [(2) + (3)]	\$	\$	
Bas	e Rates			
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$	
(6)	Monthly Expense Amount [(5) / 12]	\$	\$	
(7) Tot	al Generating Station Less Base Rates [(4) - (6)]	\$	\$	
(8)	Less 2009 Plan Project [(7) - (3)]	\$ -	\$	
	If Line (8) Greater than Zero, No Adjustment			- 5.00-300
	If Line (8) Less than Zero, Adjustment for Base Rates	and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s		
diustme	nt for Base Rate Amount (to ES Form 2.50)	T\$ -	18	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 28, 2011

Third	A STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STA			
Party	O&M Expense Account	Plant	Total C	)&M
		The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon		
20 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -		- Allenakolenkien		20
			<del>ni kacasana</del>	
	The second of the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon	1		
			25	
THE SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECOND SECON			771	
				-
	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s			
			- No. of the second	
Total Monthly Bene	ficial Reuse Expense		\$	-
Adjustment for Bene	ficial Reuse in Base Rates (from ES Form 2.	.61)	1\$	
Net Beneficial Reuse		S		

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: February 28, 2011

	On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek	Trimble County		Total
E	xisting Beneficial Reuse Opportunities (Pre 2009 Plan Project)	1						
(1)	12 Months Ending with Expense Month	S	-	\$	·	\$	-	
(2)	Monthly Amount [(1) / 12]	\$		\$		\$	-	
20	009 Plan Project 25							
(3)	Monthly Amount (Expense/Revenue)	\$		\$	Turk.	\$	- 4	
T	otal Beneficial Reuse - Generating Station							
(4)	Monthly Expense [(2) + (3)]	\$	9.	\$		S	-	
В	eneficial Reuse in Base Rates							
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		\$	-	
(6)	Monthly Expense Amount [(5) / 12]	\$		\$	•	\$	-	
(7) T	otal Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		\$	-	
(8)	Less 2009 Plan Project 25 [(7) - (3)]	\$	¥	\$	-	\$	-	
	If Line (8) Greater than Zero, No Adjustment		,					
	If Line (8) Less than Zero, Adjustment for Base Rates							
diustm	nent for Base Rate Amount (to ES Form 2.60)	1.5		18		18	- 13	5

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: February 28, 2011

			Kentucky Jurisdi	ctional Revenues			Non- Jurisdictional Revenues	Total Company	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,26
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,46
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,43
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63
	sdictional Revenues, Ex Current Expense Montl	cluding Environmental St h.	urcharge,			\$ 72,968,060			
risdictional Allocation	on Percentage for Curre	ent Month (Environmenta venues Divided by Expen			(7) / Column (10) =				82.87%
			Mary St				Note 1 - Excludes B Total	rokered Sales, for Current Month =	\$ (58,319.8

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2011

	Revenues per Form 3.00		evenues per ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	63,590,360	\$ 63,590,360
Fuel Adjustment Clause	\$	2,158,942	\$ 2,158,942
DSM	\$	1,409,347	\$ 1,409,347
Environmental Surcharge		· · · · · · · · · · · · · · · · · · ·	\$ 819,108
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	67,158,649	
InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =  Total Company Revenues for Environmental Surcharge Purposes =	\$ \$ \$	13,880,982 13,880,982 81,039,631	\$ 13,880,982
Reconciling Revenues			
Brokered	\$	(58,320)	\$ (58,320
InterSystem (Transmission Portion Booked in Account 447)			\$ -
Unbilled			\$ (1,714,645
Miscellaneous			\$ 1,306,174
Total Company Revenues per Income Statement =			\$ 81,391,948



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

APR 19 2011

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

April 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00242, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after April 29, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of March 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 728,799

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

0.99%

Effective Date for Billing: May billing cycle beginning April 29, 2011

Submitted by:

Title: Director, Rates

Date Submitted: April 19, 2011

ES FORM 1.10

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of March 2011

#### Calculation of Total E(m)

E(m) = f(RB /	12) (	ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	/\	=	
ROR			Rate of Return on the Environmental Compliance Rate Base
DR		==	Debt Rate (both short-term and long-term debt)
TR			Composite Federal & State Income Tax Rate
OE		***	Pollution Control Operating Expenses
BAS		==	Total Proceeds from By-Product and Allowance Sales
BR		=	Beneficial Reuse Operating Expenses

				Environmental C	ompliance Plans
(1)	RB			\$	72,746,119
(2)	RB / 12 (ROR + (ROR - DR) (TR / (	1 - TR/))	=		6,062,177 11.31%
(4)	OE	1 - 11()))	=		356,400
(5)	BAS		=		(221,343)
(6)	BR	•	=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	1,263,375

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	83.35%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	1,053,023
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 10-242 & 10-475	=	317,225
(11)	Prior Period Adjustment (if necessary)	=	
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	1,370,248
(13)	Revenue Collected through Base Rates	= \$	641,449
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	728,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	73,335,896
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.99%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Enviromental Con	npliance Plan
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,872,442	
Subtotal	· \$	77,425,512
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	<b>.</b>	
Cash Working Capital Allowance	229,697	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal		229,697
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,640,185	
Pollution Control Deferred Income Taxes	2,268,905	
Subtotal		4,909,090
Environmental Compliance Rate Base	\$	72,746,119

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 150,155
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
·	
Total Pollution Control Operations Expense	\$ 356,400

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental
	Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	-

Proceeds From By-Product and Allowance Sales

		Total	A	mount in	Net
	I	roceeds	В	ase Rates	Proceeds
		(1)		(2)	(1) - (2)
Allowance Sales	\$	2,578	\$	223,921	\$ (221,343)
Scrubber By-Products Sales		-		-	
Total Proceeds from Sales	\$	2,578	\$	223,921	\$ (221,343)

ES Form 2.10 Page 1 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2011

(1)		(2)		(3)	(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2011	Monthly ITC Amortization Credit	D	Monthly Depreciation Expense	Pro	Monthly operty Tax Expense
							(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	\$ _	\$		s	-		s	-	\$	-
Subtotal Less Retirements and Replacement resulting	\$	-	\$	-	\$ -	\$	-	\$	-		\$.		S	
from implementation of 2001 Plan	\$	-	\$	. <del>-</del>	\$ -	\$	-	\$	-		\$	-	\$	-
Net Total - 2001 Plan:	\$	-	\$	-	\$ -	\$	-	\$	+		\$	-	\$	_
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion	s	_	s	_	\$	s	_	s	_		s	_	\$	_
Project 8 - Precipitator Upgrades - All Plants	s	-	\$		\$ -	\$	-	\$	-		\$	_	\$	_
Project 9 - Clearwell Water System - Mill Creek	\$	-	\$	-	\$ -	\$	-	\$	-		\$	-	\$	-
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$		\$	-	\$ -	\$	-	\$	-		\$	-	\$	-
Subtotal Less Retirements and Replacement resulting	\$		\$	-	\$ -	\$	-	\$	-		\$	-	s	-
from implementation of 2003 Plan	\$	-	\$	-	\$ -	s	-	\$			\$	-	s	-
Net Total - 2003 Plan:	\$	-	\$	-	\$ -	\$	_	\$	_		\$	-	\$	-
2005 Plan:						ĺ								
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,607,107	\$	445,415	\$ 1,674,354	\$	5,836,046	\$	262,135		\$	9,741		733
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	4,730,568	\$	346,157	576,925	\$	4,961,336	\$	295,751		\$	8,397		622
Project 13 - Scrubber Refurbishment at Trimble County Unit I	\$	850,100	\$	99,852	\$ -	\$	750,248		89,637	ļ	\$	2,564		95
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507	\$	48,242	\$ -	\$	260,266		19,105		\$	1,147		33
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$ -	\$	-	\$	-		\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,320,172	\$ -	\$	6,040,905	\$	1,133,930		\$	22,206	\$	763
Subtotal	\$	17,857,360	\$	2,259,838	\$ 2,251,278	\$	17,848,801	\$	1,800,559		\$	44,055	\$	2,246
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(1,191,665)	\$	(548,068)	\$ -	\$	(643,598)	\$	(131,696)		\$	(3,438)	\$	(80)
Net Total - 2005 Plan:	T S	16,665,695	\$	1,711,770	\$ 2,251,278	\$	17,205,203	\$	1,668,863		1 \$	40,616	\$	2,166

ES Form 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2011

(1)		(2)	(3)		(4)		(5)		(6)		(7)	(8	)		(9)
Description	1	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2011	ITC	Monthly Amortization Credit	Mon Deprec Expe	iation	P	Monthly roperty Tax Expense
	1						(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	42,999,801 3,440,076 2,050,346 397,151	\$ 278,62 \$ 202,16	1 \$	160,606 444,939 - -	\$ \$ \$	42,783,275 3,606,394 1,848,184 326,651	\$ \$	199,679 270,435 53,448 76,481	S	14,527	\$ \$ \$ \$	150,853 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	48,887,375	\$ 928,4 \$ -	5 \$	605,545	\$	48,564,505	\$ \$	600,042	\$	14,527	\$ \$	170,857	\$ \$	6,144
Net Total - 2006 Plan:	\$	48,887,375			605,545		48,564,505		600,042	<u> </u>	14,527		170,857		6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	1 1 1	\$ - \$ - \$ - \$ -	\$ \$ \$ \$	1,001,651 6,135,076 1,512,437 366,454	\$ \$	1,001,651 6,135,076 1,512,437 366,454	\$	- - -			\$ \$ \$	- - -	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	<u>-</u>	s -	\$	9,015,619	\$	9,015,619	s s				\$	<del>-</del>	\$	989
Net Total - 2009 Plan:	\$	-	\$ -	\$	9,015,619	\$	9,015,619	\$	-			\$		\$	. 989
Net Total - All Plans:	l s	65,553,070	\$ 2,640,1	5 6	11,872,442	•	74,785,326	[ e	2,268,905	•	14,527	•	211,473	•	9,299

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: March 31, 2011

Vintage Year	Nur	nber of Allowan	ces		Tot	al Dolla	ar Value Of Vinta	ge Y	ear	Comments and Explanations
	SO ₂	NOx	NOx		SO ₂		NOx		NOx	
		Annual	Ozone Season				Annual		Ozone Season	
Current Year	164,370	10,723	7,277	\$	2,423.83	\$	-		\$ 20.99	
2012	62,379	14,133	6,212							
2013	62,379	14,133	6,212							
2014	62,379	14,133	6,212							
2015	62,379									
2016	62,379					<u> </u>				
2017	62,379									
2018	62,379					<u> </u>				
2019	62,379									
2020	62,379					<u> </u>				
2021	62,379					<u> </u>				
2022	62,379					<u> </u>	10.00			
2023	62,379									·
2024	62,379									
2025	62,379									
2026	62,379									
2027	62,379									·
2028	62,379					ļ				
2029	62,379			L						
2030	62,379									
2031 - 2040	623,790									

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2011

TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS		Beginning Inventory	Allocations/ Purchases	_	Itilized oal Fuel)	Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
Quantity	TOTAL EMISSI	ON ALLOWAN	CES IN INVENTO	RY, ALL (	CLASSIFIC	ATIONS					
Dollars   \$ 2,461,90   \$ -   \$ 38.07   \$ -   \$ -   \$ 2,423.83							0		0	164,370	
SALIOWANCES FROM EPA: COAL FUEL   Quantity				\$		\$	- \$		\$		
Quantity     158,783     -     2,531     -     156,252       Dollars     \$ 2,341.44     \$ -     \$ 37.32     \$ -     \$ 2,304.12    ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity       Quantity     8,169     -     51     -     -     8,118       Dollars     \$ 120.46     \$ -     \$ 0,75     \$ -     \$ 119.71    ALLOWANCES FROM PURCHASES:  From Market:  Quantity      -     -     -     -     -       Poollars     \$ -     \$ -     \$ -     -     -     -       S/Allowance     \$ -     \$ -     \$ -     \$ -     -       Guantity     -     -     -     -     -       From KU     -     -     -     -     -       Quantity     -     -     -     -     -       Ouantity     -     -     -     -     -       From KU     -     -     -     -     -       Dollars     \$ -     \$ -     \$ -     -     -       Dollars     \$ -     \$ -     \$ -     -     -       To make:     -     -     -     -     -       Ouantity     -     -     -     -     -       S	\$/Allowance			\$			- \$	_	\$		
Quantity	ALLOCATED A	LLOWANCES	ROM EPA: COAL	ETTET.							
Dollars   \$ 2,341.44   \$ - \$ 37.32   \$ - \$ - \$ 2,304.12					2.531			_		156 252	1
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity				\$		\$	- 5	-	\$		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity										7	
ALLOWANCES FROM PURCHASES:  From Market:				<del></del>		T	- 1			8,118	
ALLOWANCES FROM PURCHASES:  From Market: Quantity				-   6					1		
Trom Market: Quantity	2011413	120.	το   Ψ	+	0.75	<del> </del>	-   "		+	117.71	
Dollars         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         - </th <th></th> <th>FROM PURCH</th> <th></th> <th>1</th> <th>· · · · · · · · · · · · · · · · · · ·</th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>		FROM PURCH		1	· · · · · · · · · · · · · · · · · · ·						
Dollars   S	Quantity	-	-		_	11000	- T	_		-	
6/Allowance         \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -		\$ -	\$ -	\$	-	\$	- \$	_	\$		
Quantity         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -<		\$ -	\$ -	\$		\$	- 5		\$	-	
Dollars \$ - \$ - \$ - \$ - \$ - \$ - \$											
\$\filowance \\\$ - \\\$ - \\\$ - \\\$ \\ \\\$ \\ \\\\\\\\											
	\$/Allowance	\$		·   \$		\$	- 15		- \$		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of March 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	', ALL CLASSIFIC	CATIONS	ŧ		
Quantity	7,277	.0.			1 0	7,277	- Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Control - Cont
Dollars	\$ 20.99	\$ -	\$ -	\$ -	\$ -	\$ 20.99	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
ATTOCATED AT	Y OWN NORGER	DM EDA. COAL E	Y IVOY				
Quantity	LOWANCES FRO	JM EPA: COAL F	UEL _		T	7,106	
Dollars	\$ 20.49	s -	s -	\$ -	\$ -	\$ 20.49	
							, 4000
Quantity Dollars	171 \$ 0.50		-   -   -     -     -	\$ -	\$ -	\$ 0.50	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$	\$ -	\$ -	\$ -		\$	·
From KU:							
Quantity	. 0	0					
Dollars	* -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	-	<u> </u>	- \$	\$ -	\$ -	\$	
					•		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ATTOWANCE	C IN INVENITABLE	ATT OF ACCUETA	CATTONIC		Washing Co.	
	ON ALLOWANCE					10.500	<del>,</del>
Quantity	12,125		-,		0		
Dollars	\$ -	\$ -	\$ -	-		\$ -	
\$/Allowance	\$ -	\$ -	\$ -		-	-	-
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	11,951		1,401	-	-	10,550	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
M.A.							
ALLOCATED A	LLOWANCES FRO		FUELS	1		173	
Dollars	\$ -	s -	s -	\$ -		T	
Dollars	- <del>-</del> -	-	1 -	+3	-	\$ -	
ALLOWANCES From Market:	FROM PURCHAS	EES:					
Quantity	1 0	0	1 0	1 0	0	0	
Dollars	- s -	T\$ -	\$ -	\$ -		\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -		\$ -	
William Control	.1 *	1.4		1.9	Ψ	Ι Φ	
From KU:	1	1		·	T		
Quantity	1 0	0	0		0	0	
Dollars	- s	s -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	_1	<u>,1,,</u>	L	. L T		1 -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2011

Environmental Compliance Plan										
O&M Expenses	Amount									
11th Previous Month	\$	335,072								
10th Previous Month		125,444								
9th Previous Month		154,851								
8th Previous Month		143,057								
7th Previous Month		110,695								
6th Previous Month		165,844								
5th Previous Month		94,372								
4th Previous Month		121,474								
3rd Previous Month	·	175,687								
2nd Previous Month		100,889								
Previous Month		160,038								
Current Month		150,155								
Total 12 Month O&M	\$	1,837,578								

Determination of Working Cap	ital Allowa	nce	
12 Months O&M Expenses	\$		1,837,578
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		229,697

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables		-	-	-
506155 - ECR NOx Operation Labor and Other	Section 1997		-	-
512151 - ECR NOx Maintenance				-
Total 2001 Plan O&M Expenses				
2005 Plan				
502056-ECR Scrubber Operations			49,276.85	49,276.85
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	49,276.85	49,276.85
2006 Plan				
506159 - ECR Sorbent Injection Operation	1400 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to 1000 to		8,233,22	8,233.22
506152 - ECR Sorbent Reactant - Reagent Only		_	48,156.00	48,156.00
512152 - ECR Sorbent Injection Maintenance	700	-	-	-
506150 - ECR Mercury Monitors Operation	-	_	-	-
512153 - ECR Mercury Monitors Maintenance	-	11,364.00	- 1	11,364.00
502056 - ECR Scrubber Operations			8,749.41	8,749.41
512055 - ECR Scrubber Maintenance			4,369.19	4,369.19
506154 - ECR NOx Operation Consumables			13,241.65	13,241.65
506155 - ECR NOx Operation — Labor and Other			352.64	352.64
512151 - ECR NOx Maintenance			152.26	152.26
506051 - ECR Precipitator Operation	September 1997		-	-
506151 - ECR Activated Carbon			4,600.07	4,600.07
512051 - ECR Precipitator Maintenance			1,659.34	1,659.34
Total 2006 Plan O&M Expenses	\$ -	11,364.00	89,513.78	100,877.78
2009 Plan				
502012 - ECR Landfill Operations		ANTONIA METALEMATICA (MANAGAMATA)		····
512105 - ECR Landfill Maintenance				<del>-</del>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses				
Met 2007 Hall Octivi Expenses				<u>-</u>
Current Month O&M Expense for All Plans	-	11,364,00	138,790.63	150,154.63

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	-	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	- \$	- \$
(6) Monthly Expense Amount [(5) / 12]	- \$	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2011

Third Party	O&M Expense Account	Plant	Total O&M
		<u> </u>	
Total Monthly Benefi	cial Reuse Expense		\$ -
Adjustment for Benef	icial Reuse in Base Rates (from ES Form 2.6	51)	\$ -
Net Beneficial Reuse	O&M Expense		\$ -

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2011

On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek	Trimble Count	y Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	_	\$		\$ -	
(2) Monthly Amount [(1) / 12]	\$	-	\$	-	\$ -	
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	_	\$	_	\$ -	
Total Beneficial Reuse - Generating Station		·				
(4) Monthly Expense [(2) + (3)]	. \$	-	\$	-	\$ -	
Beneficial Reuse in Base Rates			<u> </u>			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	_	\$ -	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	, _	\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ .		\$	-	\$ -	
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$		\$		<b>T</b> \$ -	-  \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: March 31, 2011

			Kentucky Jurisd	lictional Revenues			Non- Jurisdictional Revenues	y Revenues	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note I)	(6)+(8)	(9)-(5)
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
for 12 Months Endin	ig Current Expense Mon					\$ 73,335,896			
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				83.35%
	17.5						Note 1 - Excludes Tota	Brokered Sales, al for Current Month =	\$ 69,338.88

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2011

		Revenues per	R	evenues per
		Form 3.00		ome Statement
Kentucky Retail Revenues		1011113.00		JIIIO Statomonic
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	64,963,148	\$	64,963,148
Fuel Adjustment Clause	\$	676,641	\$	676,641
DSM	\$	1,295,997	\$	1,295,997
Environmental Surcharge			\$	742,383
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	66,935,786		
Non -Jurisdictional Revenues  InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	13,374,699	\$	13,374,699
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	13,374,699	<u> </u>	15,57.,655
Total Company Revenues for Environmental Surcharge Purposes =  Reconciling Revenues	\$	80,310,485		
Brokered	\$	69,339	\$	69,339
InterSystem ( Transmission Portion Booked in Account 447)	Ψ.	09,339	\$	09,339
Unbilled	<u> </u>		\$	420,839
Miscellaneous			\$	1,234,776
Total Company Revenues per Income Statement =			\$	82,777,821



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

MAY 2 0 2011

PUBLIC SERVICE COMMISSION Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

May 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00242, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after May 31, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of April 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 1,053,507

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 15

1.43%

Effective Date for Billing: June billing cycle beginning May 31, 2011

Title: Director, Rates

Date Submitted: May 20, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

#### For the Expense Month of April 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

		E	Environmental Compliance Plans		
(I) RB		= S	72,896,086		
2) RB / 12		-	6,074,674		
3) (ROR + (ROR	- DR) (TR / (1 - TR)))	-	11.31%		
4) OE		54 S	308,266		
5) BAS		=	•		
6) BR		=	*		
7) E(m)	(2) x (3) + (4) - (5) + (6)	= S	995,312		

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	*	86.50%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	860,945
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475		795,605
(11)	Prior Period Adjustment (if necessary)	=	
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	-	1,656,550
(13)	Revenue Collected through Base Rates	= S	603,043
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= S	1,053,507
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= S	73,839,618
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14)+(15)]	=	1.43%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Enviromental Co	mpliance Plan
Eligible Pollution Control Plant	\$ 65,553,070	AL 30 1 A
Eligible Pollution CWIP Excluding AFUDC	12,363,367	
Subtotal	\$	77,916,437
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	17 M	
Cash Working Capital Allowance	200,566	
Deferred Debit Balance Mill Creek Ash Dredging		
Subtotal	THE WAY DO	200,566
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,855,097	
Pollution Control Deferred Income Taxes	2,365,820	
Subtotal		5,220,917
Environmental Compliance Rate Base	\$	72,896,086

Determination of Pollution Control Operating Expenses

			viromental pliance Plan
Monthly Operations & Maintenance Expense		\$	102,021
Monthly Depreciation & Amortization Expense	+		211,473
less investment tax credit amortization			(14,527)
Monthly Property and Other Applicable Taxes	the and the		9,299
Monthly Insurance Expense			(e)
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	- A		
Monthly Permitting Fees			
Amortization of Monthly Mill Creek Ash Dredging		10000	(#)
Less: Operating Expenses Associated with Retirements or Replacements	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		
Occuring Since Last Roll-In of Surcharge into Existing Rates	- The second second	Table	
Total Pollution Control Operations Expense	-	\$	308,266

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	•
Net Beneficial Reuse Operations Expense	s -

Proceeds From By-Product and Allowance Sales

White Service		Total oceeds	5.005,052,05	ount in e Rates	Net Proceeds	
		(1)		(2)		(1) - (2)
Allowance Sales	\$	N#1	\$	-	\$	5 <del>4</del> 5
Scrubber By-Products Sales		0.5		-		(35)
Total Proceeds from Sales	S	-	\$	-	S	-

ES Form 2.10 Page 1 of 2

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2011	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	Pre	Monthly operty Tax Expense
		{						(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s		s	8	s		\$	₹ <b>•</b> :	s	13-33		s		s	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		2	¥ -	s	***	s	* j	\$			s		s	-
Net Total - 2001 Plan:	\$	-	S		s		\$	-	S	-		S		S	-
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$		\$ \$ \$		s s s		\$ \$ \$	* * *	\$ \$ \$ \$	(*) (*) (*)		5 5 5	*	\$ \$ \$	*
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	-	s		s		s	*	s	\$\infty\$		s		s	
Net Total - 2003 Plan	S		S		\$	-	s		S	-		S		\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	s s s s	4,607,107 4,730,568 850,100 308,507 - 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$	455,156 354,554 102,417 49,388 1,342,378 2,303,893 (548,068)	s s s	1,677,889 585,649 - - - - 2,263,538	s s s	5,829,840 4,961,663 747,684 259,119 6,018,699 17,817,005 (643,598)	\$ \$ \$ \$	266,995 301,469 91,639 19,235 1,150,569 1,829,907 (131,696)		\$ \$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 		733 622 95 33 763 2,246
Net Total - 2005 Plan:	s	16,665,695	- C	1,755,825	- e	2,263,538	8	17,173,408	5	1,698,211		S	40,616	•	2,166

# Attachment to Response to LGE KIUC-1 Question No. 19 Page 228 of 485 Conroy

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2011

(i)		(2)	(3)	+	<b>(4)</b>	(5)		(9)	(2)	0	(8)	-	(6)
Description	S. Se	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	, to	Deferred Tax Balance as of 4/30/2011	Mor TTC Amo Cre	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense
						(2)-(3)+(4)	9					H	
2006 Plan:													
Project 18 - TC2 AQCS Equipment	s	42,999,801	S 527	527,984 \$	178,844	\$ 42,6	42,650,661 \$	256,850	65	14,527	15	53 \$	5,414
Project 19 - Sorbent Injection	69	3,440,076	288	288,398 \$	444,939		3,596,618 \$	278,968				77 \$	454
Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	es es	397,151	711	71,861 \$	a 4	8.1.	325,291 \$	76,875			\$ 1,361	67 S	41
Subtotal	s	48,887,375 \$		\$ 272,099,	623,783	\$ 48,4	48,411,886 \$	809'299	s	14,527	\$ 170,857	57 \$	6,144
Less Retrements and Replacement resulting from implementation of 2006 Plan	v	3	S.		901	60		•	50	•	•	69	
Net Total - 2006 Plan:	s	48,887,375 \$		1,099,272 \$	623,783	\$ 48,4	48,411,886 \$	809,799	s	14,527	\$ 170,857	\$ 25	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase J)	и			'n	1,040,429	3.0	.040,429 S	,				69	6
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	8			S	6,460,267	\$ 6,4	_	*				69	707
Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	ии		8 8		1,588,281	s, s	,588,281 \$ 387,070 \$				40 40	64 KA	151
Subtotal	s		5		9,476,046	8	9,476,046 \$				s	50	686
Less Retirements and Replacement resulting from implementation of 2009 Plan	vi	,	s			69		,				6	٠
Net Total - 2009 Plan:	S	S		55	9,476,046	s'6 s	9,476,046 \$				SA	s.	686
Net Total - All Plans	s	65.553.070	2.855.097	\$ 760.	12.363.367	\$ 75.0	75.061.340   \$	2.365.820	S	14,527	\$ 211.473	73. S	9,299
Table is distance as a special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the special control of the		- I a section	2	1000	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon		-		4)				

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: April 30, 2011

Vintage Year	Nun	ber of Allowan	ces		Tot	al Dolla	ar Value Of Vinta	age Year	ř.		Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season		SO ₂		NOx Annual		NOx Ozone Seaso	on	
Current Year	162,001	9,513	7,277	\$	2,388.89	\$		- \$	2	20.99	
2012	62,379	14,133	6,212								·
2013	62,379	14,133	6,212							816	
2014	62,379	14,133	6,212	5							
2015	62,379										
2016	62,379						VG>-				
2017	62,379								. 00		
2018	62,379										
2019	62,379										
2020	62,379			g J							
2021	62,379										
2022	62,379			Ų.							
2023	62,379										
2024	62,379								11		
2025	62,379										
2026	62,379			Ÿ				1			
2027	62,379										
2028	62,379										
2029	62,379			Ì							
2030	62,379			N.						7	
2031 - 2040	623,790										

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of April 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCES	IN INVENTORY		CATIONS		-	
Quantity	164,370	0	2,369	0	1	0 162,001	
Dollars	\$ 2,423.83		\$ 34.94		\$ -	\$ 2,388.89	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
	ALLOWANCES FRO	M EPA: COAL F					
Quantity	156,252		2,319	_		153,933	
Dollars	\$ 2,304.12	\$ -	\$ 34.21	\$ -	\$ -	\$ 2,269.91	
	ALLOWANCES FRO					1	
ALLOCATED A Quantity Dollars	ALLOWANCES FRO 8,118 \$ 119.71		FUELS 50 \$ 0.73		\$ -	8,068 \$ 118.98	
Quantity - Dollars	8,118	\$ -	50				
Quantity - Dollars	\$ 119.71	\$ -	50				
Quantity Dollars ALLOWANCES	\$ 119.71	\$ -	50				
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	8,118 \$ 119.71 S FROM PURCHASI	\$ - 3S:	\$ 0.73	\$ -	\$ -	\$ 118.98	
Quantity Dollars  ALLOWANCE: From Market: Quantity	8,118 \$ 119.71 S FROM PURCHASE	\$ - \$ -	\$ 0.73	\$ -	s -	\$ 118.98	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	8,118 \$ 119.71 S FROM PURCHASI - \$ -	\$ - \$S:	50 \$ 0.73	\$ - \$ -	\$ - \$ -	\$ 118.98	
Quantity - Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	8,118 \$ 119.71 S FROM PURCHASI - \$ -	\$ - \$S:	50 \$ 0.73	\$ - \$ -	\$ - \$ -	\$ 118.98	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance  From KU Quantity	8,118 \$ 119.71 S FROM PURCHASI - \$ - \$ -	\$ - 2S:	\$ 0.73	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 118.98	
Quantity - Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	8,118 \$ 119.71 S FROM PURCHASI - \$ - \$ -	\$ - \$S: \$ - \$ -	\$ 0.73	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 118.98 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of April 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCES	S IN INVENTORY	, ALL CLASSIFI	CATIONS			
Quantity	7,277	0	0	0	0	7,277	
Dollars	\$ 20.99	\$ -	\$ -	\$ -	\$ -	\$ 20.99	
\$/Allowance	S -	\$ -	\$ -	\$ -	\$ -	S -	
	ALLOWANCES FRO	OM EPA: COAL I	UEL				
Quantity	7,106			/#		7,106	
Dollars	\$ 20.49	\$ -	\$ -	\$	\$ -	\$ 20.49	
				1			
ALLOCATED /	ALLOWANCES FRO	OM EPA: OTHER	FUELS	*			
Quantity Dollars	\$ 0.50	s -	FUELS -	\$ -	\$ -	\$ 0.50	(*)
Quantity Dollars  ALLOWANCE:	171	s -					(*)
Quantity Dollars  ALLOWANCE: From Market:	\$ 0.50	S -	S -	\$	\$ -	\$ 0.50	5*)
Quantity Dollars  ALLOWANCE: From Market: Quantity	\$ 0.50	S -	s -	\$ -	s -	\$ 0.50	(*)
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	\$ 0.50 S FROM PURCHAS	ES: 0	s -	0 \$	s - 0 s -	0 \$ -	
Quantity Dollars  ALLOWANCE: From Market: Quantity	\$ 0.50	S -	s -	\$ -	s -	\$ 0.50	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	\$ 0.50 S FROM PURCHAS	ES: 0	s -	0 \$	s - 0 s -	0 \$ -	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance  From KU:	171 \$ 0.50 S FROM PURCHAS	ES: 0 S - S - S -	S - 0 S - 5	S - 0 S - S -	\$ - 0 \$ - \$ -	0 5 - 5 -	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	\$ 0.50 S FROM PURCHAS	ES: 0	S - 0 S - 5	S - 0 S - S -	\$ - 0 \$ - \$ -	0 5 - 5 -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Futchases	(Coar Fuer)	(Other Fuers)	Solu	inventory	Sale Date & Village Tears
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	Y, ALL CLASSIFIC	CATIONS			
Quantity	10,723	0	1,202	8	0	9,513	
Dollars	S -	S -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	s -	
ALLOCATED	ALLOWANCES FRO	OM EPA: COAL I	FUEL				
Quantity	10,550		1,202	-		9,348	
Dollars	s -	\$ -	S -	\$ -	\$ -	s -	
ALLOCATED	ALLOWANCES FRO	OM EPA: OTHER	FUELS				
ALLOCATED Quantity Dollars	ALLOWANCES FRO	OM EPA: OTHER - \$ -	FUELS -	8  S -	- s -	\$ -	
Quantity Dollars	173	s -	-			-	
Quantity Dollars	\$ -	s -	-			-	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	s -	S -	S -	\$ -	\$ -	-
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ -	S -	S -	S -	0	\$ -	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ -	ES:	\$ -	0	\$ -	0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance	\$ -	ES: 0 \$ -	s - 0 s -	0 \$	0	\$ - 0 S -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance From KU:	S FROM PURCHAS  0 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	ES: 0 s - s -	0 \$ -	S - 0 S - S -	\$ - 0 \$ - \$ -	\$ - 0 S - S -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity	173 \$ - 2S FROM PURCHAS 0 \$ - \$ -	ES: 0 s - s -	0 S - S -	S - 0 S - S -	\$ - 0 \$ - \$ -	\$ - 0 S - S -	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance From KU:	S FROM PURCHAS  0 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	ES: 0 s - s -	0 \$ -	S - 0 S - S -	\$ - 0 \$ - \$ -	\$ - 0 S - S -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	125,444
10th Previous Month		154,851
9th Previous Month		143,057
8th Previous Month		110,695
7th Previous Month		165,844
6th Previous Month		94,372
5th Previous Month		121,474
4th Previous Month		175,687
3rd Previous Month		100,889
2nd Previous Month		160,038
Previous Month		150,155
Current Month		102,021
Total 12 Month O&M	\$	1,604,527

Determination of Working Capi	ital Allowanc	e	
12 Months O&M Expenses	\$		1,604,527
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		200,566

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables	STATE OF STREET	-		(*)
506155 - ECR NOx Operation Labor and Other		745	- 1	
512151 - ECR NOx Maintenance	The second of the second		-	
Total 2001 Plan O&M Expenses		17.	-	
2005 Plan				
502056-ECR Scrubber Operations	DUCATE STATES		35,899.41	35,899.41
512055-ECR Scrubber Maintenance				
Ashpond Dredging Expense	The Section 2 (1)		Service and I	
Total 2005 Plan O&M Expenses	The sale of the sale of		35,899.41	35,899.41
2006 Plan		1		
506159 - ECR Sorbent Injection Operation			5,996.23	5,996.23
506152 - ECR Sorbent Reactant - Reagent Only			47,014.18	47,014.18
512152 - ECR Sorbent Injection Maintenance			4,609.57	4,609.57
506150 - ECR Mercury Monitors Operation			-	
512153 - ECR Mercury Monitors Maintenance	2		- 1	
502056 - ECR Scrubber Operations	THE LOCALINE EST			
512055 - ECR Scrubber Maintenance	TO EST. DE TRO		6,449.12	6,449.12
506154 - ECR NOx Operation Consumables			739.31	739.31
506155 - ECR NOx Operation Labor and Other			578.06	578.06
512151 - ECR NOx Maintenance			165.09	165.09
506051 - ECR Precipitator Operation		A STREET STREET	, .	
506151 - ECR Activated Carbon			(1,003.46)	(1,003.46)
512051 - ECR Precipitator Maintenance		THE CASE OF STREET	1,573.87	1,573.87
Total 2006 Plan O&M Expenses	\$ -		66,121.97	66,121.97
2009 Plan		3		
502012 - ECR Landfill Operations		To your Williams		
512105 - ECR Landfill Maintenance		Street Property	-	4
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		7-8-43 T 2		
Net 2009 Plan O&M Expenses	-	<b>以外,</b>	-	(#)
Current Month O&M Expense for All Plans	Te		102,021,38	102,021.38
Current Month Occar Expense for All Plans	- \$		102,021,38	102,021.38

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: April 30, 2011

On-Site CCP Disposal O&M Expense	Car	ne Run	Trimbl	e County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			T	
(1) 12 Months Ending with Expense Month	\$	-	S	-
(2) Monthly Amount [(1) / 12]	S	-	\$ .	
2009 Plan Project				
(3) Monthly Expense	\$	-	\$	-
Total Generating Station				
(4) Monthly Expense [(2) + (3)]	\$	-	S	
Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	
(6) Monthly Expense Amount [(5) / 12]	\$		\$	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	
(8) Less 2009 Plan Project [(7) - (3)]	S	-	\$	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
djustment for Base Rate Amount (to ES Form 2.50)	1\$		1\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2011

Third			
Party	O&M Expense Account	Plant	Total O&M
			1011-1011
	7		
otal Monthly Bene	ficial Reuse Expense		1\$
diustment for Bene	ficial Reuse in Base Rates (from ES Form 2.	61)	1\$
let Beneficial Reuse			\$

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2011

On-Site CCP Disposal O&M Expense	Car	ne Run		Mill Creek	Trimb	le County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)	1		1			T	
(1) 12 Months Ending with Expense Month	S	1/4/	\$		S	5=1	
(2) Monthly Amount [(1) / 12]	\$	12	\$	<u> </u>	\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	in the	\$		\$		
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense $[(2) + (3)]$	\$	8/#2	\$		\$	:00	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	R#2,	\$		\$	740	
(6) Monthly Expense Amount [(5) / 12]	\$	1#	\$	-	\$	- 12	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	Œ	\$		\$	•	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
djustment for Base Rate Amount (to ES Form 2.60)	1\$		1\$	-	18	- 13	3

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2011

			Kentucky Jurisdi	ctional Revenues			Non- Jurisdictional Revenues	Total Company	Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,43
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,91
	sdictional Revenues, Ex Current Expense Month	cluding Environmental St	urcharge,			\$ 73,839,618			
		ent Month (Environmenta venues Divided by Expen			(7) / Column (10) =				86,50%
	<b>小线长</b>	The state of	当意代	AS A SE	<b>市场景态</b>	San Stranger	Note 1 - Excludes B Total	rokered Sales, for Current Month = \$	76,784.7

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2011

	Revenues per	R	evenues per
	Form 3.00	Inco	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 59,828,935	\$	59,828,935
Fuel Adjustment Clause	\$ 1,740,517	\$	1,740,517
DSM	\$ 830,283	\$	830,283
Environmental Surcharge		\$	874,121
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 62,399,735		
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,742,182 9,742,182	\$	9,742,182
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =  Total Company Revenues for Environmental Surcharge Purposes =	\$ 72,141,917		
Reconciling Revenues			
Brokered	\$ 76,785	\$	76,785
InterSystem (Transmission Portion Booked in Account 447)		\$	-
		\$	(392,299
Unbilled			4 12 12 12 12 12 12 12 12 12 12 12 12 12
Unbilled Miscellaneous		\$	1,207,949



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

JUN 17 2011

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

June 17, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after June 29, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of May 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 1,095,320

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

1.47%

Effective Date for Billing: July billing cycle beginning June 29, 2011

Submitted by:

Title: Director, Rates

Date Submitted: June 17, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of May 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

E		En	vironmental Compliance Plans
(1) RB		= \$	74,234,883
(2) RB / 12		<b>₩</b>	6,186,240
	DR) (TR / (1 - TR)))	=	11.31%
(4) OE	and the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of th	34	356,279
(5) BAS		=	29
(6) BR		# # #	
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	1,055,913

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		86.82%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	-	S	916,744
10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475	=		795,604
11)	Prior Period Adjustment (if necessary)	=		-
12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	m		1,712,348
13)	Revenue Collected through Base Rates	10	\$	617,028
14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	s	1,095,320
15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	-	s	74,567,904
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		1.47%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Enviromental Cor	npliance Plan
Eligible Pollution Control Plant .	\$ 68,088,518	ATTEN SH
Eligible Pollution CWIP Excluding AFUDC	11,534,083	
Subtotal	\$	79,622,601
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	- 10	
Cash Working Capital Allowance	203,395	
Deferred Debit Balance Mill Creek Ash Dredging	- 1	
Subtotal	1 100	203,395
Deductions:	the little burner in the	100
Accumulated Depreciation on Eligible Pollution Control Plant	3,071,963	
Pollution Control Deferred Income Taxes	2,519,150	
Subtotal	- St. 7 St. 200	5,591,113
Environmental Compliance Rate Base	S S	74,234,883

Determination of Pollution Control Operating Expenses

4		riromental oliance Plan
Monthly Operations & Maintenance Expense	\$	148,079
Monthly Depreciation & Amortization Expense		213,428
less investment tax credit amortization		(14,527)
Monthly Property and Other Applicable Taxes		9,299
Monthly Insurance Expense		
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		
Monthly Permitting Fees		
Amortization of Monthly Mill Creek Ash Dredging	100 E	-
Less: Operating Expenses Associated with Retirements or Replacements		-
Occuring Since Last Roll-In of Surcharge into Existing Rates	31-7	THE PA
Total Pollution Control Operations Expense	S	356,279

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	11.00	otal oceeds	CONTROL OF CO.	unt in Rates		Net Proceeds
		(1)		(2)		(1) - (2)
Allowance Sales	5	29	S		S	29
Scrubber By-Products Sales		-		-		
Total Proceeds from Sales	\$	29	\$	-	S	29

Page 1 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service			Deferred Tax Balance as of 5/31/2011	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)		- STANDARD CONT.					
2001 Plan: Project 6 - LGE NOx	s	+	\$		s	•	\$		\$	(*)		s	*	\$	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s		s s	*	s		s	- 4	S	*		s	*	s	140
Net Total - 2001 Plan:	S	-	S		S		<b>S</b>	-	S			5		S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4  Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		\$ \$ \$ \$		\$ \$ \$ \$		\$ \$ \$ \$	5 .	\$ \$ \$			\$ \$ \$ \$		\$ \$ \$ \$	
Net Total - 2003 Plan:	S		S	- 2	s		S		S	-		S	- 2	S	
2005 Plan:  Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	s s s s s s s s s s	7,142,556 4,730,568 850,100 308,507 7,361,077 20,392,809 (1,191,665)		466,851 362,950 104,981 50,535 1,364,584 2,349,902 (548,068)		599,531 - - - 599,531	s s s s	6,675,704 4,967,149 745,119 257,972 5,996,493 18,642,438 (643,598)	5 5 5	328,270 307,186 93,642 19,365 1,167,209 1,915,671 (131,696)		s s s s s	11,695 8,397 2,564 1,147 22,206 46,009 (3,438)	\$ \$ \$ \$	733 622 95 33 - 763 2,246
Net Total - 2005 Plan:	S	19,201,143		1,801,834		599,531	e	17,998,840		1,783,975		\$	42,571		2,16

Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2011	IT	Monthly C Amortization Credit	I	Monthly Depreciation Expense	1	Monthly Property Tax Expense
	_							(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	42,999,801 3,440,076 2,050,346 397,151	\$	678,837 298,174 219,897 73,221	\$ 5 5 5	619,607 444,939	2 2 2 2	42,940,571 3,586,841 1,830,450 323,930		314,022 287,501 56,382 77,270	s	14,527	\$ \$ \$	150,853 9,777 8,867 1,361	\$ \$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	48,887,375	s s	1,270,129	5	1,064,546	s	48,681,792	s	735,175	s	14,527	s	170,857	s	6,144
Net Total - 2006 Plan:	\$	48,887,375	s	1,270,129	\$	1,064,546	s	48,681,792	5	735,175	s	14,527	\$	170,857	s	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$		\$ \$ \$	:	\$ \$ \$	1,650,887	\$ \$ \$	1,060,456 6,747,271 1,650,887 411,392	S	* * *			\$ \$ \$		\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	Q+ -	\$		s	9,870,006	S	9,870,006	s				s	*	s	989
Net Total - 2009 Plan:	Š	-	\$		S	9,870,006	s	9,870,006	\$	- 4			S		s	989
Net Total - All Plans:	s	68,088,518	S	3,071,963	\$	11,534,083	S	76,550,638	S	2,519,150	S	14,527	\$	213,428	S	9,299

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2011

Vintage Year	Num	ber of Allowan	ces	Tot	al Dolla	r Value Of Vi	ntage	Year		Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂		NOx Annual		100000000000000000000000000000000000000	NOx e Season	
Current Year	156,907	7,688	6,065	\$ 2,313.77	S			S	17.50	
2012	62,379	14,133	6,212							
2013	62,379	14,133	6,212							
2014	62,379	14,133	6,212							
2015	62,379									
2016	62,379									
2017	62,379									
2018	62,379									
2019	62,379									
2020	62,379									
2021	62,379									
2022	62,379									
2023	62,379									
2024	62,379									
2025	62,379									
2026	62,379									
2027	62,379									
2028	62,379									
2029	62,379									
2030	62,379									
2031 - 2040	623,790									

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of May 2011

TORY, ALL CLASSIFI 0 3,094 - \$ 45,62 - \$ 0.01	4   3   \$	0 - \$	2,000	150	
0 3,094	4   3   \$			156	
- \$ 45.63 - \$ 0.00	3 \$	- \$			0.907
- \$ 0.0	1 6		29,49		3.77
	1 3	- \$	0.01	S	0.01
OAL FUEL					
- 3,013	3		2,000	145	3,920 Sale to KU (2,000)
	- 4	- S	29.49		95.97
			763.15		
- \$ 1.18	8 8	- \$		\$ 11	17.80
		•			
- S -	\$	- S	*	\$	
	S	- \$	-	\$	-
- S -	1.5				
- S -	1			·	
- S -		- - \$		S	
-	+	- \$	- S - S	- S - S -	- \$ - \$ - \$

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2011

	Beginning Inventory		Allocations/	Utilized (Coal Fuel)		Utilized		0.13		Ending	Allocation, Purchase, or
	Inventory		Purchases	(Coarruer)	<u> </u>	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
						200					
	SION ALLOWANC					774.7			_	4044	
Quantity	7,27		0	1,205		7	-	0	-	6,065	
Dollars	\$ 20.9			\$ 3.47		0,02	\$		\$	17.50	
\$/Allowance	\$ -	\$	-	\$ -	\$	*	\$	E	\$	-	
The same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the same of the sa											
	ALLOWANCES F		1 EPA: COAL F						_		
Quantity	7,10		2	1,205		-		2		5,901	
Dollars	\$ 20.4	9 \$	-	\$ 3.47	\$		\$		\$	17.02	
LITTOGIONN	ALLOWANCES E	ROM	1 EPA: OTHER	FUELS							
ALLOCATED.	ALLOW ANCES I										
	17			-0		7		¥		164	
Quantity Dollars		1	-	s -	\$	7 0.02	\$	# 2	\$	164 0.48	Helling
Quantity	17	1	-		\$		\$		\$		
Quantity	17	1	-		S		\$		\$		Helli b
Quantity Dollars	17	0 \$	-		\$		\$		\$		Helli b
Quantity Dollars  ALLOWANCE	\$ 0.5	0 \$	-		S		\$		s		
Quantity Dollars  ALLOWANCE From Market:	\$ 0.5 S FROM PURCHA	0 \$	-				\$				
Quantity Dollars	\$ 0.5 S FROM PURCHA	1 0 \$	- 5 - S:	s -		0.02	\$			0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 0.5	1 0 \$	- 5 - 5: 0	0		0.02		0		0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	17 \$ 0.5 S FROM PURCHA \$ -	1 0 \$ ASES:	- 5 - 5: 0	0	\$	0.02	\$	0	\$	0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	17 \$ 0.5 S FROM PURCHA \$ -	1 0 \$ ASES:	- 5 - 5: 0	0	\$	0.02	s	0	\$	0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	17 \$ 0.5 S FROM PURCHA \$ - \$ -	1 0 \$ ASES:	- 5 - 5: 0	0	\$ \$	0.02	s	0	\$ \$	0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$//Allowance From KU: Quantity	17 \$ 0.5 S FROM PURCHA \$ - \$ -	1 0 S	- S: O S - O	0 \$ -	\$ \$	0.02	\$ \$	0	\$ \$	0.48	
Quantity Dollars  ALLOWANCE From Market: Quantity	17 \$ 0.5 S FROM PURCHA \$ - \$ -	1 0 \$ ASES: 0 \$	0 8 - 9 - 9 - 9 -	0 5 -	\$ \$	0.02	s	0	\$ \$	0.48	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of May 2011

	Begin Inven		Allocation Purchase		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLOV	VANCES	IN INVENT	ory	, ALL CLASSIFIC	CATI	IONS					
Quantity		9,513		(613)	1,205		7		0		7,688	
Dollars	\$	2	\$	-	\$ -	\$		\$	746	\$	-	
\$/Allowance	\$		\$		\$ -	\$		\$		\$		
ALLOCATED	ALLOWANG	ES FRO	M EPA: CO	ALF	UEL			10.5		A STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STA		
Quantity		9,348		(718)		1					7,528	Ending Inventory includes purchase from KU (103); and
Dollars	S	-	\$	-	s -	15		S	-	S		true-up with EPA (-718)
						1						
ALLOCATED	ALLOWANG	ES FRO	M EPA: OT	TER	FUELS							
ALLOCATED Quantity Dollars	ALLOWANG \$	165 -	S S	HER (46)		S	7	S		\$	160	Ending Inventory includes purchase from KU (48); and true-up with EPA (-46)
Quantity Dollars  ALLOWANCE	S	165	\$	(46)		\$		S		S		
Quantity Dollars  ALLOWANCE From Market:	S	165 - RCHASI	\$	(46)	\$ -		•	S	•		-	
Quantity Dollars  ALLOWANCE From Market: Quantity	S ES FROM PU	165 - RCHASI	\$ ES:	(46)	\$ -		- 0		0		0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PU	165 - RCHAS	\$ ES:	(46)	\$ - 0 \$ -	s	•	S	0	s	-	
Quantity Dollars  ALLOWANCE From Market: Quantity	S ES FROM PU	165 - RCHASI	\$ ES:	(46)	\$ -		- 0		0		0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	S FROM PU	165 - RCHAS	\$ ES:	0 -	\$ - 0 \$ -	s	- 0	S	0	s	0	true-up with EPA (-46)
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PU	165 - RCHAS	\$ ES:	0 -	\$ - 0 \$ -	SSS	- 0	S	0	S	0	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PU	165 - RCHASI 0 -	\$ ES:	0 -	\$ - \$ - \$ - \$ -	SSS	0	S	0	S	0	true-up with EPA (-46)

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	154,851
10th Previous Month		143,057
9th Previous Month		110,695
8th Previous Month		165,844
7th Previous Month		94,372
6th Previous Month		121,474
5th Previous Month		175,687
4th Previous Month		100,889
3rd Previous Month		160,038
2nd Previous Month		150,155
Previous Month		102,021
Current Month		148,079
Total 12 Month O&M	\$	1,627,162

Determination of Working Capi	tal Allowan	ce	
12 Months O&M Expenses	\$		1,627,162
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		203,395

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables	Andread to the Control	1		
506155 - ECR NOx Operation — Labor and Other		-		-
512151 - ECR NOx Maintenance				
Total 2001 Plan O&M Expenses		*		
2005 Plan				
502056-ECR Scrubber Operations	Eller St. D. S. S. T. W. S. B.	SECONO DE LOCATION DE	16,976,27	16,976.27
512055-ECR Scrubber Maintenance		A THE REAL PROPERTY.		*
Ashpond Dredging Expense		-	THE RESERVE	(4)
Total 2005 Plan O&M Expenses	<b>化是基础是</b>	9.	16,976,27	16,976.27
2006 Plan				
506159 - ECR Sorbent Injection Operation	III DISALUES III		8,928.25	8,928.25
506152 - ECR Sorbent Reactant - Reagent Only	POST DE LOS PIE	-	54,552.74	54,552.74
512152 - ECR Sorbent Injection Maintenance	SALES OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY	4/	711.38	711.38
506150 - ECR Mercury Monitors Operation		-		*
512153 - ECR Mercury Monitors Maintenance		0.69	_	0.69
502056 - ECR Scrubber Operations	E TURN A RESE	-AE-15050 /-EE	20,601.74	20,601.74
512055 - ECR Scrubber Maintenance	Samuel and Samuel		5,880.75	5,880.75
506154 - ECR NOx Operation Consumables			16,124,53	16,124.53
506155 - ECR NOx Operation Labor and Other	SHALL THE WAY	12 15 F 18 15 F	603.42	603.42
512151 - ECR NOx Maintenance			223.91	223.91
506051 - ECR Precipitator Operation	N PARTY STATE			
506151 - ECR Activated Carbon			21,845.25	21,845.25
512051 - ECR Precipitator Maintenance	THE REPORT OF THE		1,630.11	1,630.11
Total 2006 Plan O&M Expenses	\$ -	0.69	131,102.08	131,102,77
2009 Plan		4		
502012 - ECR Landfill Operations		ENC 24 222	×	*
512105 - ECR Landfill Maintenance	- 2	MINISTRALIANS DANS		•
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		New York Control of		-
Net 2009 Plan O&M Expenses		WITH A ST MATER	*	
Current Month O&M Expense for All Plans	T at	0.69 1	148,078.35	148,079.04

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: May 31, 2011

	On-Site CCP Disposal O&M Expense	Car	Trimble County		
Exis	ting CCP Disposal Facilities (Pre 2009 Plan Project)	T		T	
(1)	12 Months Ending with Expense Month	\$	-	\$	
(2)	Monthly Amount [(1) / 12]	S	*	\$	
2009	9 Plan Project	-		-	
(3)	Monthly Expense	\$		\$	
Tota	al Generating Station				
(4)	Monthly Expense [(2) + (3)]	\$	•	\$	
Base	e Rates				
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	
(6)	Monthly Expense Amount [(5) / 12]	\$	-	\$	
(7) Tota	ll Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	
(8)	Less 2009 Plan Project [(7) - (3)]	\$		\$	
	If Line (8) Greater than Zero, No Adjustment				
	If Line (8) Less than Zero, Adjustment for Base Rates				
diustmen	t for Base Rate Amount (to ES Form 2.50)	1\$	-	T\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2011

Third		20040100000	HANN HELD	
Party	O&M Expense Account	Plant	Tota	10&M
		† · · · · · · · · · · · · · · · · · · ·		
	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		-	
		- Walta		-
		The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon		7597
	********			
MICH SALES		- Aller		
otal Monthly Bene	ficial Reuse Expense	- Maria	\$	-
djustment for Bene	ficial Reuse in Base Rates (from ES Form 2.	61)	1\$	-
let Beneficial Reuse			\$	-

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: May 31, 2011

On-Site CCP Disposal O&M Expense	Car	ne Run	N	fill Creek	Trimbl	e County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			Г		1		
(1) 12 Months Ending with Expense Month	S		\$	2	S	_	
(2) Monthly Amount [(1) / 12]	S	-	\$		S	-	
(2) Wollding Amount [(1)/12]	9		4		3		
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	*	\$	-	
Total Beneficial Reuse - Generating Station	+						
(4) Monthly Expense [(2) + (3)]	\$		\$	*	\$	-	
Beneficial Reuse in Base Rates							
<ol> <li>Annual Expense Amount (12 Mo Ending with Last Test Year)</li> </ol>	\$	-	\$	<u>u</u>	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$		\$		\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	150	\$		\$	-	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$	-	1\$	-	18	-	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2011

		Kentucky Jurisdictional Revenues Non- Jurisdictional Total Comp Revenues							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Fuel Clause DSM Surcharge Total Environmer Revenues Revenues Revenues Surcharge	Total Excluding Environmental Surcharge (6)-(5)	Total including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)				
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,91
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,97
	isdictional Revenues, Ex Current Expense Montl	cluding Environmental Soh.	urcharge,	40		\$ 74,567,904	i a sidad		
		ent Month (Environmenta venues Divided by Expen			7) / Column (10) =				86.82%
	a porta de la		18 4 24 27				Note 1 - Excludes B Total		\$ (1,011,601.9

ES FORM 3.10

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2011

	J	Revenues per	R	devenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,768,571	\$	62,768,571
Fuel Adjustment Clause	\$	1,969,596	\$	1,969,596
DSM	\$	851,874	\$	851,874
Environmental Surcharge			\$	666,380
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	65,590,042		
Non -Jurisdictional Revenues InterSystem ( Total Less Transmission Portion Booked in Account 447) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ \$	9,952,934 9,952,934	\$	9,952,934
	S			.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Total Company Revenues for Environmental Surcharge Purposes =	\$	75,542,975		
Reconciling Revenues				
Brokered	\$	(1,011,602)	\$	(1,011,602)
InterSystem ( Transmission Portion Booked in Account 447)			\$	_141
Unbilled			\$	5,854,014
Miscellaneous			\$	1,290,688
Total Company Revenues per Income Statement =			-	82,342,455



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

JUL 19 2011

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

July 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after July 29, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of June 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 131,463

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

0.18%

Effective Date for Billing: August billing cycle beginning July 29, 2011

Submitted by:

Title: Director, Rates

Date Submitted: July 19, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of June 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	(ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	==	Environmental Compliance Rate Base
ROR	-	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	= '	Total Proceeds from By-Product and Allowance Sales
BR	==	Beneficial Reuse Operating Expenses

					Environmenta	al Compliance Plans
(1) (2) (3) (4) (5) (6)	RB RB / 12 (ROR + (ROR - OE BAS BR	DR) (TR / (1 - TR)))		= = = = = = = = = = = = = = = = = = = =	\$	71,757,124 5,979,760 11.31% 310,214 37
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	•	=	\$	986,487

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	92,27%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) \times (8)]$	= \$	910,232
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	, <del>=</del>	•
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	910,232
(13)	Revenue Collected through Base Rates	= \$	778,769
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	131,463
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	75,008,056
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.18%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of June 2011

Determination of Environmental Compliance Rate Base

		Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$	64,865,222		
Eligible Pollution CWIP Excluding AFUDC	1.	11,951,455		
Subtotal			\$	76,816,677
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		-		
Cash Working Capital Allowance		197,321		
Deferred Debit Balance Mill Creek Ash Dredging		, -		
Subtotal				197,321
Deductions;				
Accumulated Depreciation on Eligible Pollution Control Plant		2,805,876		
Pollution Control Deferred Income Taxes		2,450,998		
Subtotal				5,256,874
Environmental Compliance Rate Base			\$	71,757,124

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 106,254
Monthly Depreciation & Amortization Expense	210,835
less investment tax credit amortization	(14,527)
Monthly, Property and Other Applicable Taxes	7,652
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 310,214

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	nmental
	Compli	ance Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		
Net Beneficial Reuse Operations Expense	\$	_

Proceeds From By-Product and Allowance Sales

,	To	otal A	mount in	Ŋ	Vet
	· Proc	eeds B	ase Rates	Pro	ceeds
	(	1)	(2)	(1)	- (2)
Allowance Sales	\$	37 \$		\$	37
Scrubber By-Products Sales		-	-		-
Total Proceeds from Sales	\$	37 \$	-	\$	37

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2011

(1)		(2)		(3)		(4)		(5)i		(6)	(7)		(8)	T T	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 6/30/2011	Monthly ITC Amortization Credit	Γ	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
					<u> </u>			(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	-	\$	-	s	-	\$	-	\$	-		\$	-	\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	-	\$	-	\$	-	\$			\$	-	\$	-
			Ľ		Ľ.							_			
Net Total - 2001 Plan:	\$		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	- - -	\$ \$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$	-		\$ \$ \$	- - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ \$	-	\$	-	\$	-	\$	-	\$			\$	<b></b>	\$	-
Net Total - 2003 Plan:	\$	-	\$	-	\$	-	\$	**	\$			\$		S	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,818,430 4,730,568 850,100 308,507 - 7,361,077 18,068,683 (2,520,865)	\$ \$ \$ \$	416,007 371,347 107,545 51,681 - 1,386,790 2,333,371 (969,332)	\$ \$ \$ \$	596,265 - - - - - - 596,265	***	4,402,423 4,955,486 742,555 256,826 - 5,974,287 16,331,577 (1,551,534)	\$ \$ \$ \$ \$	285,201 312,903 95,644 19,495 - 1,183,848 1,897,091 (384,695)		\$ \$ \$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206 44,380 (5,253)	\$ \$ \$ \$	448 622 95 33 - 763 1,961
Net Total - 2005 Plan:	\$	15,547,817	\$	1,364,039	\$	596,265	s	14,780,043	S	1,512,396		\$	39,127	\$	519

Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2011

(1)		(2)		(3)	(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 6/30/2011	TTC.	Monthly Amortization Credit		Monthly epreciation Expense	P	Monthly roperty Tax Expense
			Ī.,				(2)-(3)+(4)	T							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$	830,540 307,951 228,764 • 74,582	\$ 444 \$	- 1		\$	504,965 · 296,034 59,939 77,665	\$	14,527	\$ \$ \$	151,703 9,777 8,867 1,361	\$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	49,317,405	\$	1,441,837	\$ 876 \$	223	\$ 48,751,791 \$ -	\$	938,602	\$	14,527	\$	171,707	\$	6,144
Net Total - 2006 Plan:	\$	49,317,405	\$	1,441,837	\$ 876	223	\$ 48,751,791	\$	938,602	\$	14,527	\$	171,707	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$	-	\$ 1,072 \$ 7,189 \$ 1,739 \$ 477	753	\$ 7,189,753 \$ 1,739,136	\$	- - - -			\$ \$ \$	-	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ \$	-	\$	~	\$ 10,478		\$ 10,478,968 \$ -	\$	-			\$ \$	-	\$	. 989
Net Total - 2009 Plan:	\$		\$		\$ 10,478	968	\$ 10,478,968	\$	*			\$	_	\$	989
						15.5									
Net Total - All Plans:	\$	64,865,222	\$	2,805,876	\$ 11,951	455	\$ 74,010,802	18	2,450,998	\$	14,527	\$	210,835	\$	7,652

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: June 30, 2011

Vintage Year	Nun	nber of Allowand	ces		Total	Dollar	Value Of Vir	tage `	/ear		Comments and Explanations
	SO ₂	NOx	NOx	SO₂ ~			NOx		N	Юх	
		Annual	Ozone Season				Annual		Ozone	e Season	
Current Year	148,984	6,344	4,721	\$ 2,2	19.91	\$		-	\$	13.62	
2012	62,379	14,133	6,212							•	
2013	62,379	14,133	6,212								
2014	62,379	14,133	6,212			_					
2015	62,379										
2016	62,379										
2017 -	62,379										
2018	62,379										
2019	62,379										
2020	62,379										
2021	62,379										
2022	62,379										
2023	62,379										
2024	62,379										
2025	62,379										
2026	62,379					-			44		
2027	62,379										
2028	62,379										
2029	62,379										
2030	62,379										
2031 - 2040	623,790										

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of June 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCES	IN INVENTORY,	, ALL CLASSIFIC	CATIONS			
Quantity	156,907	(1,559)		0		148,984	
Dollars	\$ 2,313.77		\$ 56.40		\$ 37.46		
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	
ALLOCATED AT	LLOWANCES FRO	M EPA: COAL FI	MET.				
Quantity	148,920	3,790	3,282		2,540	146,888	Adjustment for IMEA/IMPA final true-up (3,790); sale of
Dollars	\$ 2,195.97			\$ -	\$ 37.46		
ATT OCATED A	I LOWANCES ERC	IM EPA OTHER	FILETS				
Quantity	LLOWANCES FRO	(5,349)	542	-	-	2,096	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer
		(5,349)	542		-  \$ -	2,096 \$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity	7,987	(5,349)	542			2,096 \$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars	7,987 \$ 117.80	(5,349) \$ (55.89)	542			2,096 \$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars ALLOWANCES	7,987	(5,349) \$ (55.89)	542			\$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market:	7,987 \$ 117.80	(5,349) \$ (55.89)	542			2,096 \$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars	7,987 \$ 117.80 FROM PURCHAS	(5,349) \$ (55.89)	\$ 8.00	\$ -	\$ - - \$ -	\$ 53.91 - - \$ -	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market: Quantity	7,987 \$ 117.80 FROM PURCHASI	(5,349) \$ (55.89) 3S:	\$ 8.00	-	\$ -	\$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars  B/Allowance	7,987 \$ 117.80 FROM PURCHASI	(5,349) \$ (55.89) 2S: - - -	542 \$ 8.00	- - - -	\$ - - \$ -	\$ 53.91 - - \$ -	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars &/Allowance	7,987 \$ 117.80 FROM PURCHASI	(5,349) \$ (55.89) 2S: - - -	542 \$ 8.00	- - - -	\$ - - \$ -	\$ 53.91 - - \$ -	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU Quantity	7,987 \$ 117.80  FROM PURCHAS:	(5,349) \$ (55,89) 3S: 	\$ 8.00 	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ 53.91	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	7,987 \$ 117.80  FROM PURCHAS  - \$ - \$ -	(5,349) \$ (55.89) 3S: - \$ - \$ -	\$ 8.00 - \$ - \$ - \$ -	\$ - \$ - \$ -	\$ -   S -   S -   S -	\$ 53.91 - \$ - \$ -	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer of unused 2010 allowances (-1,559)

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of June 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,065	0	1,332	12	0	4,721	
Dollars	\$ 17.50	\$ -	\$ 3.84	\$ 0.04	\$ -	\$ 13.62	
\$/Allowance	\$ -	\$ -	-	\$ -	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	5,901	-	1,332	-	-	4,569	
Dollars	\$ 17.02	\$ -	\$ 3.84	\$ -	\$ -	\$ 13.18	
ALLOCATED	ALLOWANCES ED	M FPA · OTHFP	FIRE				
Quantity	ALLOWANCES FRO	-	-	12		152	
Quantity		-	1	\$ 0.04		\$ 0.44	
Quantity	164-	-	-				
Quantity Dollars	164-	\$ -	-			\$ 0.44	
Quantity Dollars ALLOWANCE	\$ 0.48	\$ -	-			\$ 0.44	
Quantity Dollars  ALLOWANCE From Market:	\$ 0.48	\$ -	-			\$ 0.44	
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 0.48 S FROM PURCHAS	- \$ - ES:	\$ -	\$ 0.04	\$ -	\$ 0.44	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	164 \$ 0.48 S FROM PURCHAS 0	ES:	\$ -	0.04	0	\$ 0.44	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	164 \$ 0.48 S FROM PURCHAS 0 \$ -	ES: 0	- \$ - 0 \$ -	0 0 0	0	\$ 0.44	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars  \$/Allowance	164 \$ 0.48 S FROM PURCHAS 0 \$ -	ES: 0	- \$ - 0 \$ -	0 0 0	0	\$ 0.44	
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance	164 \$ 0.48 S FROM PURCHAS 0 \$ -	ES: 0	- \$ - 0 \$ -	0 0 0	0	\$ 0.44	
Quantity Dollars	164  \$ 0.48  S FROM PURCHAS   0  \$ -  \$ -	ES:  0 5 -	0 \$ -	0.04 0 s -	0 \$ -	\$ 0.44 y  0  \$ -  \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	7,688	0	1,332	12	0	6,344	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		Ann			•		, ,
ALLOCATED AI	LOWANCES FRO	OM EPA: COAL F	UEL	•			
Quantity	7,528	_	1,332	-	· -	6,196	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
,							
	LOWANCES FRO	OM EPA: OTHER	T	12	1	148	
Quantity		-	-	. 12	-		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<u> </u>	L	<u> </u>	<u></u>		<u> </u>	
ALLOWANCES	FROM PURCHAS	TC.				•	
		ES:					
From Market:	0		0	- 0	0	0	
From Market: Quantity	0	0	0	0	0	0	
From Market: Quantity · Dollars	\$ -	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity	\$ -	0 \$ -	\$ -			\$ -	
From Market: Quantity Dollars \$/Allowance	\$ - \$ -	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU:	\$ - \$ -	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	\$ -	0 \$ - \$ -	\$ -	\$ -	\$ - \$ -	\$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	143,057
10th Previous Month		110,695
9th Previous Month		165,844
8th Previous Month		94,372
7th Previous Month		121,474
6th Previous Month		175,687
5th Previous Month		100,889
4th Previous Month	,	160,038
3rd Previous Month		150,155
2nd Previous Month		102,021
Previous Month		148,079
Current Month		106,254
Total 12 Month O&M	\$	1,578,565

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	,	1,578,565						
One Eighth (1/8) of 12 Month O&M Expenses		1/8							
Pollution Control Cash Working Capital Allowance	\$		197,321						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables		-	- 1	-
506155 - ECR NOx Operation Labor and Other			_	-
512151 - ECR NOx Maintenance		-	-	-
Total 2001 Plan O&M Expenses		-		**
2005 Plan				
502056-ECR Scrubber Operations			20,219.33	20,219.3
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		- I	20,219.33	20,219.3
2006 Plan				
506159 - ECR Sorbent Injection Operation			8,342.96	8,342.9
506153 - ECR Sorbent Injection Operation 506152 - ECR Sorbent Reactant - Reagent Only		· _	48,108,28	48,108,2
512152 - ECR Sorbent Injection Maintenance		_	277,26	277.2
506150 - ECR Mercury Monitors Operation	-	_	-	
512153 - ECR Mercury Monitors Maintenance	-	_	-	_
502056 - ECR Scrubber Operations			19,586.10	19,586.1
512055 - ECR Scrubber Maintenance			7,738.10	7,738.1
506154 - ECR NOx Operation — Consumables	•		22,290.31	22,290.3
506155 - ECR NOx Operation Labor and Other			507.78	507.7
512151 - ECR NOx Maintenance			(74.32)	(74.3
506051 - ECR Precipitator Operation			-	_
506151 - ECR Activated Carbon			(21,845.25)	(21,845.2
512051 - ECR Precipitator Maintenance			1,103.00	1,103.0
Total 2006 Plan O&M Expenses	-	-	86,034.22	86,034.2
2000 Ni.		•		
2009 Plan 502012 - ECR Landfill Operations	-		-	
512105 - ECR Landfill Maintenance	-			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	-
1.01 2007 I lait Quart Empiror				
Current Month O&M Expense for All Plans		<u> </u>	106,253,55	106,253.5

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Deleting OCD Discoular Utility (Dec 2000 Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Discoular Disco		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	<u> </u>	
(1) 12 Months Ending with Expense Month	-	<u>_</u>
(2) Monthly Amount [(1) / 12]	\$ -	\$
2009 Plan Project	·	
(3) Monthly Expense	\$ -	- \$
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$· -	- \$ -
Base Rates		,
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	- \$
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	. \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		- 1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2011

Third Party	O&M Expense Account	Plant	Total O&M
	-	,	
Total Monthly Bene	eficial Reuse Expense		\$ -
Adjustment for Ben	eficial Reuse in Base Rates (from ES Form 2	61)	\$ -
Net Beneficial Reus	se O&M Expense		

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: June 30, 2011

On-Site CCP Disposal O&M Expense	Can	e Run		Mill Creek	Triml	ole County	Total
				·			
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$	_	\$	-	\$	-	
(2) Monthly Amount [(1) / 12]	\$	-	\$	·	\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		\$	-	
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	-	
Beneficial Reuse in Base Rates						•	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	_	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	_	\$	-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$		\$	-	
If Line (8) Greater than Zero, No Adjustment				**************************************			
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	T \$	_	T \$	-	1\$	_ [	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2011

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749
for 12 Months Endin	risdictional Revenues, E ng Current Expense Mon	th.				\$ 75,008,056			
	ation Percentage for Curr entucky Jurisdictional Re				(7) / Column (10) =				92.27%
							Note 1 - Excludes Tot	Brokered Sales, tal for Current Month =	\$ (531,080.82)

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2011

	Revenues per		Revenues per
	Form 3.00	. In	come Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 79,699,769	\$	79,699,769
Fuel Adjustment Clause	\$ 4,437,519	\$	4,437,519
DSM	\$ 1,415,042	\$	1,415,042
Environmental Surcharge		\$	1,206,179
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 85,552,331		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 7,170,418	\$	7,170,418
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,170,418		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 92,722,748	-	
Reconciling Revenues			
Brokered	\$ (531,081)	\$	(531,081)
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled	•	\$	776,863
Miscellaneous	·	\$	1,751,569
Total Company Revenues per Income Statement =		\$	95,926,278



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

AUG 19 2011

PUBLIC SERVICE COMMISSION

August 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after August 30, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of July 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 145,621

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

0.19%

Effective Date for Billing: September billing cycle beginning August 30, 2011

Submitted by:

Title: Director, Rates

Date Submitted: August 19, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of July 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	==	Rate of Return on the Environmental Compliance Rate Base
DR	22	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	##	Beneficial Reuse Operating Expenses

			Environmen	tal Compliance Plans
(1) RB		<b>=</b> :	\$	72,032,384
(2) RB / 12		==		6,002,699
(3) (ROR + (ROR -	- DR) (TR / (1 - TR)))	<b>⊭</b>		11.31%
(4) OE		=		376,346
(5) BAS		=		52
(6) BR		**		-
(7) E(m)	(2) x (3) + (4) - (5) + (6)	<b>₽</b>	\$	1,055,199

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

			•
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	91.80%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	968,673
(10)	Adjustment for (Over)/Under-collection pursuant to	=	
(11)	Prior Period Adjustment (if necessary)	==	-
(12)	Adjusted Jurisdictional E(m) [(9)+(10)+(11)]	=	968,673
(13)	Revenue Collected through Base Rates	= \$	823,052
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	· <b>\$</b>	145,621
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= <b>`\$</b>	74,979,613
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	±	0.19%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	 Enviromental	Compl	iance Plan
Eligible Pollution Control Plant	\$ 64,865,222		
Eligible Pollution CWIP Excluding AFUDC	12,458,442		
Subtotal		\$	77,323,664
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-		
Cash Working Capital Allowance	200,725		
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal		•	200,725
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	 3,022,814		
Pollution Control Deferred Income Taxes	 2,469,191		
Subtotal	 	_	5,492,005
Environmental Compliance Rate Base		\$	72,032,384

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 170,289
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	•
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 376,346

Determination of Beneficial Reuse Operating Expenses

	Environme	intal
	Compliance	Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

-	Total Proceed		ount in se Rates		Net Proceeds	
	(1)		(2)		(1) - (2)	
Allowance Sales	\$	52	\$ 	\$		52
Scrubber By-Products Sales			-		-	
Total Proceeds from Sales	\$	52	\$	S		52

ES Form 2.10 Page I of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2011

		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
. Description	Pl	ligible lant In ervice		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2011	Monthly ITC Amortization Credit	D-	Monthly epreciation Expense	p	Monthly roperty Tax Expense
	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon	;·········		***************************************			-	(2)-(3)+(4)							
					******				/II/5V///		· · · · · · · · · · · · · · · · · · ·	Ì			***************************************
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Subtotal Less Retirements and Replacement resulting	\$	-	\$	-	\$	-	\$	<u> </u>	\$	-		\$	•	\$	-
from implementation of 2001 Plan	\$	-	\$	-	\$	•	\$	-	\$	-		\$	-	\$	•
Net Total - 2001 Plan:	\$	-	\$	*	S	-	\$	-	\$	-		S	-	S	-
2003 Plan:															
Project 7 - Mill Creek FGD Scrubber Conversion	s		\$	_	\$	_	s		\$	_		s	-	\$	
Project 8 - Precipitator Upgrades - All Plants	\$	-	\$	_	\$	_	\$	-	\$	-		\$	_	\$	-
Project 9 - Clearwell Water System - Mill Creek	<b> </b> \$	-	\$	-	\$	-	\$	-	\$	-		\$	_	\$	_
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$	-	\$	-	\$	-	\$	-	\$	- 1		\$	-	\$	•
Subtotal	\$	_	\$	•	\$		\$	-	\$	_		\$	-	\$	-
Less Retirements and Replacement resulting															
from implementation of 2003 Plan	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Net Total - 2003 Plan:	\$	-	\$	-	\$		\$	-	\$	#		\$	4	\$	-
2005 Plan:										T					
Project 11 - Special Waste Landfill Expansion at Mill Creek	s	4,818,430		426,073	s		s	4,392,356		346,400		s	10,067	·	448
Project 12 - Special Waste Landfill Expansion at Cane Run Station	s	4,730,568		379,744		601,518	\$	4,952,342		318,620		4	8,397		622
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	🕻		\$	110,110		001,510	S	739,990		97,646		\$		\$	95
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	l š		s	52,828	\$		\$	255,679		19,626		ŝ	1,147	\$	33
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s	-	s		s		\$		\$	-		s		\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	s	7,361,077	\$	1,408,996	\$	•	\$	5,952,082	\$	1,200,487		\$	22,206	\$	763
Subtotal	s	18,068,683	\$	2,377,751	\$	601,518	   S	16,292,449	s	1,982,779	<u> </u>	\$	44,380	   \$	1,961
Less Retirements and Replacement resulting			ļ		ļ				]	, .		] `	•	]	ŕ
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)		\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	s	15,547,817	S	1,408,420	\$	601,518	\$	14,740,915	\$	1,598,084		\$	39,127	\$	1,767

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2011

(1)		(2)		(3)	(4	4)		(S)		(6)		(7)		(8)	A	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		ount uding		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2011	ITC	Monthly Amortization Credit	D	Monthly Pepreciation Expense	P	Monthly operty Tax Expense
			Ì			A A A A A A A A A A A A A A A A A A A		(2)-(3)+(4)								
2006 Plan: Project 13 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$	983,093 317,728 237,631 75,943	\$ \$	507,601 444,939 - -		42,954,339 3,567,288 1,812,715 321,208	\$ \$	429,165 304,566 59,316 78,060	\$	14,527	\$ \$ \$	152,553 9,777 8,867 1,361	\$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	49,317,405 -	\$	1,614,394	\$	952,539 -	\$ \$	48,655,550 -	\$ \$	871,107	\$	14,527 -	\$	172,558 -	\$ \$	6,144 -
Net Total - 2006 Plan:	\$	49,317,405	\$	1,614,394	\$	952,539	\$	48,655,550	\$	871,107	S	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	- - •	S S S		\$	1,098,513 7,399,989 1,871,806 534,076	\$ \$	1,098,513 7,399,989 1,871,806 534,076	\$ \$	- - - -			\$ 5 5 5	- - -	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	_	\$		\$ 1 \$	0,904,385	\$ \$	10,904,385	\$	. <u>-</u>		,	\$	*	\$	989 -
Net Total - 2009 Plan:	\$	-	S	, be	S 1	0,904,385	\$	10,904,385	\$	-			S	-	S	989
Net Total - All Plans:	s	64,865,222	\$	3,022,814	\$ 1	12,458,442	s	74,300,850	\$	2,469,191	\$	14,527	<u> </u>	211,685	S	8,899

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: July 31, 2011

Vintage Year	Nu	mber of Allowan	ces	Tot	al Dollar Value Of Vintag	e Year	Comments and Explanations
:	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season	_	Annual	Ozone Season	
Current Year	141,303	4,793	3,170	\$ 2,105.48	-	\$ 9.15	
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379		J				
2017	62,379	•					
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of July 2011

		ginning	Allocations/		Utilized	Utilized				Е	nding		Allocation, Purchase, or	
	In	ventory	Purchases	_]	(Coal Fuel)	(Other Fuels)		Sold		Inv	ventory	S	ale Date & Vintage Years	
												······································		
TOTAL EMISSI	ON ALL	OWANCES	S IN INVENTOR	<u>Y, AL</u>	L CLASSIFIC	ATIONS								
Quantity		148,984			4,181		0		3,500		141,303			
Dollars	\$	2,219.91	\$ -	\$	62.28		-	\$	52.15	\$	2,105.48	-		
\$/Allowance	\$	0.01	\$ -	\$	0.01	\$	-	\$	0.01	\$	0,01			
ALLOCATED A	[ Y ())()/A	NCES EDO	ነኔ  የኮላ  ርብላ፣	erier			_							
Quantity	1	146,888	MI ELA. COAL	7	4,112	T			3,500		139 276	Sale to KU (3,500)		
Dollars	\$	2,166.00	\$ -	\$	61.27				52.15	s	2,052.58	Jaic to 100 (3,300)		
	+	2,100.00	· · · · · · · · · · · · · · · · · · ·	┿	U1.27	<u> </u>		Ψ	74.13	Ψ	2,032.30			
	·													
	·													
	LLOWA			FUE					·		0.007	p=====================================		<del> </del>
Quantity		2,096	_		69		-		-		2,027			
Quantity	LLOWA \$		_	\$ FUE	69	\$	-	\$ :	-	\$	2,027 52.90			
ALLOCATED A Quantity Dollars  ALLOWANCES From Market:	\$	2,096 53.91	\$ -		69	\$		\$		\$				
Quantity Dollars  ALLOWANCES from Market; Quantity	\$	2,096 53.91	\$ -		69	\$		\$		\$				
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars	FROM :	2,096 53.91 PURCHAS	S: -	\$	69 1.01	\$	-	\$	-	\$				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ FROM	2,096 53.91 PURCHAS	- \$ - ES:	s	69				-		52.90			
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars \$/Allowance	FROM :	2,096 53.91 PURCHAS	S: -	\$	69 1.01	\$	-	\$	-	\$	52.90			
Quantity Dollars  ALLOWANCES from Market; Quantity Dollars S/Allowance	FROM :	2,096 53.91 PURCHAS	S: -	\$	69 1.01	\$	-	\$	-	\$	52.90			
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$\Allowance From KU Quantity	FROM :	2,096 53.91 PURCHAS	S: -	\$	69 1.01	\$	-	\$	-	\$	52.90			
Quantity Dollars ALLOWANCES	FROM :	2,096 53.91 PURCHAS	ES: - \$ - \$ -	\$	69	\$		\$		\$	52.90			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of July 2011

	Beginnin Inventor		Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels	s)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS			IN INVENTORY	, ALL CLASSIFIC					
Quantity		,721	O	1,530		21	0	3,17	n
Dollars		3.62			<u>  s</u>	0.06	\$ -	\$ 9.1	
\$/Allowance	s		\$ -	\$ -	\$		\$ -	\$ -	
ALLOCATED	ALLOWANCES	SERO	M EPA: COAL F	TORY	<u></u>	· · · · · · · · · · · · · · · · · · ·		,	
Quantity		,569	M BITT. CORET	1,530	Τ			3,03	9
Dollars		3.18	\$ -	\$ 4.41			\$ -	\$ 8.7	
	<del>  • • • • • • • • • • • • • • • • • • •</del>			,,,,	-			0.7	<u> </u>
	ALLOWANCE		M EPA: OTHER	FUELS					
	\$	152 0.44	\$ <u>-</u>	\$ -	S	21 0.06	<u>-</u> \$ -	13 \$ 0.3	
Quantity Dollars  ALLOWANCE:		0.44	\$ -		\$				
Dollars  ALLOWANCE: From Market:		0.44	\$ :S:	\$ -		0.06		\$ 0,3	
ALLOWANCE: From Market: Quantity	S FROM PURC	0.44 HASE	\$ - CS:	s - 0			\$ -	\$ 0.3	
ALLOWANCE: From Market: Quantity Dollars	S FROM PURC	0.44 CHASE	\$ - CS: 0 \$ -	0 \$ -	\$	0.06	0	\$ 0.3	8
Dollars	S FROM PURC	0.44 CHASE	\$ - CS:	s - 0		0.06	\$ -	\$ 0.3	8
Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM PURC	0.44 CHASE 0	\$ - CS: 0 \$ -	0 \$ -	\$	0.06	0	\$ 0.3	8
ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM PURC	0.44 CHASE 0	\$ - 0 \$ - \$ -	0 \$ -	\$ \$	0.06	0 \$ -	\$ 0.3	0
ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU: Quantity	S FROM PURC	0.44 CHASE 0	\$ - 0 \$ - \$ -	0 5 -	\$ \$	0.06	0 S - S -	\$ 0.3	8
ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM PURC	0.44 CHASE 0 0	\$ - 0 \$ - \$ -	0 \$ -	\$ \$	0.06	0 \$ -	\$ 0.3	0

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of July 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Util (Other		Sold	Ending Inventor		Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWANCE	S IN INVENTOR	Y. ALL CLASSIF	CATIONS					
Ouantity	6,344		1,53		21	0	T	4,793	
Dollars	\$ -	\$ -	S -	\$		\$ -	\$	•	
\$/Allowance	\$ -	\$ -	\$ -	\$	-	\$ -	\$	-	
ATT OCATED	ALLOWANCES FRO	OM EPA+ COAT	erner						
Quantity	6,196		1,53	<del>0  </del>	T		· ·	4,666	
Dollars		S -	S -	s		\$ -	\$	7	
			+	<del> </del>		<del>-</del>	<u> </u>		
Quantity	ALLOWANCES FRO				21	<u> </u>		· 127	
Collare	16 _	Q	- L	10	1	¢	10		
Dollars	<u> </u>	\$ -	\$ -	\$	-	\$ -	\$	-	
	S		\$ -	\$	•	\$	\$	-	
ALLOWANCE rom Market:	ES FROM PURCHAS	ES:			0				
ALLOWANCE from Market: Quantity		ES:		S S	0	\$ - 0 \$ -		0	
ALLOWANCE From Market: Quantity Dollars	ES FROM PURCHAS	ES:		0	0 -	0		0	
ALLOWANCE From Market: Quantity Dollars	ES FROM PURCHAS	ES: (	\$ -	0 \$	0 -	0	\$	0	
ALLOWANCE from Market: Quantity Dollars S/Allowance	ES FROM PURCHAS	ES: (	\$ -	0 \$	0 -	0	\$	0	
ALLOWANCE from Market: Quantity Dollars S/Allowance	ES FROM PURCHAS	ES: (1) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4	S - S -	0 \$	0 -	0	\$	0	
	S FROM PURCHAS  0 \$ - \$ -	ES: (1) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4	S - S -	0	0 0	0 \$ - \$ -	\$	0	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount .
11th Previous Month	\$	110,695
10th Previous Month		165,844
9th Previous Month		94,372
8th Previous Month		121,474
7th Previous Month	,	175,687
6th Previous Month		100,889
5th Previous Month		160,038
4th Previous Month		150,155
3rd Previous Month		102,021
2nd Previous Month		148,079
Previous Month		106,254
Current Month		170,289
Total 12 Month O&M	\$	1,605,797

Determination of Working Cap	ce		
12 Months O&M Expenses	\$		1,605,797
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		200,725

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: July 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables		-	-	<u> </u>
506155 - ECR NOx Operation — Labor and Other			-	<del>-</del>
512151 - ECR NOx Maintenance		-	_	
Total 2001 Plan O&M Expenses				
2005 Plan				
502056-ECR Scrubber Operations			79,604.24	79,604.24
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	79,604.24	79,604.24
2006 Plan	1			
506159 - ECR Sorbent Injection Operation		_	10,718.43	10,718.43
506152 - ECR Sorbent Reactant - Reagent Only	<del></del>		53,112.01	53,112.01
512152 - ECR Sorbent Injection Maintenance		<del>-</del>	(218.37)	(218.37
506150 - ECR Mercury Monitors Operation	-	-	-	
512153 - ECR Mercury Monitors Maintenance	-	-		. <u>-</u>
502056 - ECR Scrubber Operations			(4,642.25)	(4,642.25
512055 - ECR Scrubber Maintenance			6,094.51	6,094.51
506154 - ECR NOx Operation - Consumables			23,586,70	23,586.70
506155 - ECR NOx Operation - Labor and Other			772.87	772.87
512151 - ECR NOx Maintenance			587.43	587.43
506051 - ECR Precipitator Operation			-	
506151 - ECR Activated Carbon			- 1	
512051 - ECR Precipitator Maintenance			673.55	673.55
Total 2006 Plan O&M Expenses			90,684.88	90,684.88
2009 Plan				
502012 - ECR Landfill Operations	-		-	
512105 - ECR Landfill Maintenance			-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	<u> </u>		-	-
Net 2009 Plan O&M Expenses			-	
		Annual Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the		
Current Month O&M Expense for All Plans	\$ -		170,289.12	170,289.12

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: July 31, 2011

On-Site CCP Disposal O&M Expense	Cane Run Trimble C				
Existing CCP Disposal Facilities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	- \$ -			
(2) Monthly Amount [(1) / 12]	\$	- \$ -			
2009 Plan Project					
(3) Monthly Expense	\$ .	- \$ -			
Total Generating Station					
(4) Monthly Expense [(2) + (3)]	\$	- \$ -			
Base Rates	,				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -			
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -			
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -			
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -			
If Line (8) Greater than Zero, No Adjustment					
If Line (8) Less than Zero, Adjustment for Base Rates					
djustment for Base Rate Amount (to ES Form 2.50)	[\$	~ \\$ -			

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: July 31, 2011

Third Party	O&M Expense Account	Plant	Total O&M
	*		
1			
Total Monthly Bene	ficial Reuse Expense		\$ -
	ficial Reuse in Base Rates (from ES Form 2	.61)	\$ -
Net Beneficial Reuse	O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: July 31, 2011

On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek		Trin	able County	Total
Existing Denoficial Days Consistentials (Pro 2000 Plan Design)	<u>y</u>		1			J		J
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)  (1) 12 Months Ending with Expense Month	- <del> </del> \$	····	s	·		\$	<del></del>	
	\$					<u> </u>	<u> </u>	
(2) Monthly Amount [(1) / 12]	12		\$	<del></del>	-	\$		
2009 Plan Project 25		***	<del> </del>			<b>1</b>		
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		-	\$	-	
Total Beneficial Reuse - Generating Station		····						
(4) Monthly Expense [(2) + (3)]	\$		\$		₩	\$	· -	
Beneficial Reuse in Base Rates	<u> </u>						- <u></u>	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$		-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$			\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		-	\$	<del>-</del>	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$		-	\$		
If Line (8) Greater than Zero, No Adjustment			┼			<del>                                     </del>	· · · · ·	
If Line (8) Less than Zero, Adjustment for Base Rates		.,	1					
djustment for Base Rate Amount (to ES Form 2.60)	1 \$	-	1\$			T\$		1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2011

			Kentucky Jurisc	lictional Revenues			Non- Jurisdictional Revenues	Total Compă	ny Revenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge		
		, , , , , , , , , , , , , , , , , , , ,			(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)		
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078		
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168		
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945		
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237		
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030		
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497		
Feb-I1	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631		
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485		
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917		
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976		
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749		
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855		
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  \$ 74,979,613										
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				91.80%		
	Note 1 - Excludes Brokered Sales, Total for Current Month =										

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2011

	Revenues per	F	Revenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 86,246,494	\$	86,246,494
Fuel Adjustment Clause	\$ 4,806,290	\$	4,806,290
DSM	\$ 1,627,342	\$	1,627,342
Environmental Surcharge		\$	1,362,039
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 92,680,126		
Non -Jurisdictional Revenues  InterSystem (Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 8,276,729 8,276,729	\$	8,276,729
Total Company Revenues for Environmental Surcharge Purposes =	\$ 100,956,855		
Reconciling Revenues			
Brokered	\$ (378,771)	\$	(378,771)
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	12,378,426
Miscellaneous		\$	1,324,250
Total Company Revenues per Income Statement =		\$	115,642,800



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

SEP 2 0 2011

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

September 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of August 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after September 30, 2011.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of August 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 144,799

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

0.19%

Effective Date for Billing: October billing cycle beginning September 30, 2011

Submitted by:

Title: Director, Rates

Date Submitted: September 20, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of August 2011

### Calculation of Total E(m)

E(m) = [(RB / 12)]	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	==	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

			Environmental Compliance Plans					
(1) RB (2) RB/ (3) (ROR (4) OE (5) BAS (6) BR	2 + (ROR - DR) (TR / (1 - TR)))	## ## ## ## ## ## ## ## ## ## ## ## ##	s	72,163,121 6,013,593 11.31% 476,182 37				
(7) E(m)	(2) x (3) + (4) - (5) + (6)	. =	s	1,156,282				

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	93.59%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,082,164
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	==	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,082,164
(13)	Revenue Collected through Base Rates	= \$	937,365
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	144,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3,00	ac \$	76,198,522
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	==	0,19%
1			

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Plan
Eligible Pollution Control Plant	\$ 64,865,222
Eligible Pollution CWIP Excluding AFUDC	12,932,577
Subtotal	\$ 77,797,799
Additions:	. Commenter of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of t
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-
Cash Working Capital Allowance	220,653
Deferred Debit Balance Mill Creek Ash Dredging	· -
Subtotal	220,653
Deductions:	
Accumulated Depreciation on Eligible Pollution Control Plant	3,237,960
Pollution Control Deferred Income Taxes	2,617,371
Subtotal	5,855,331
Environmental Compliance Rate Base	\$ 72,163,121

**Determination of Poliution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 270,125
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	•
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	•
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 476,182

Determination of Beneficial Reuse Operating Expenses

,	Environ	Environmental				
,	Complian	nce Plan				
Total Monthly Beneficial Reuse Expense	\$	•				
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-				
Net Beneficial Reuse Operations Expense		•				

Proceeds From By-Product and Allowance Sales

,	Total Proceed			unt in Rates	Net Proceeds		
	(1)	5	Dase (	2)	<u> </u>	(1) - (2)	· u
Allowance Sales	\$	37	\$		\$		37
Scrubber By-Products Sales		-		-			-
Total Proceeds from Sales	\$	37	\$	-	\$	•	37

ES Form 2.10 Page 1 of 2

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2011	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)					I		A
2001 Plan:															
Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Subtotal	\$	-	s	_	\$	-	\$	_	\$	-		\$	-	\$	
Less Retirements and Replacement resulting	1														
from implementation of 2001 Plan	\$	•	\$	-	s	•	\$	-	\$	•		\$	-	\$	•
Net Total - 2001 Plan:	S		\$	-	\$		\$		S			ŝ		S	-
					Π										
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion	s		s		s	_	\$		s	_		s	_	s	_
Project 8 - Precipitator Upgrades - All Plants	\$	_	s		s	-	\$	_	\$	_		s	_ :	\$	
Project 9 - Clearwell Water System - Mill Creek	İš	_	s	_	s	-	\$	_	\$	_		\$	_	Š	_
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	s	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Subtotal	\$		S		I S		S	_	S			\$	-	s S	
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	s	•	\$	-	\$	-		\$	-	\$	-
Net Total - 2003 Plan;	\$	_	\$	_	] }	_	S		\$			\$	-	\$	-
2005 Plan:					T										
Project 11 - Special Waste Landfill Expansion at Mill Creek	s	4,818,430	l sc	434,348	10		\$	4,384,081	s	402,290	1	s	10,067	\$	44
Project 12 - Special Waste Landfill Expansion at Cane Run Station	s	4,730,568		388,141		655,635	s	4,998,063		324,338		\$	8,397		62
Project 13 - Scrubber Refurbishment at Trimble County Unit I	Š	850,100		112,674		-	s	737,426		99,648		\$	2,564		9
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s	308,507		53,975		_	\$	254,533		19,756		s	1,147	\$	3
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s		\$	,	s	_	\$	,	\$	,		\$		\$	_
Project 16 - Scrubber Improvements at Trimble County Unit 1	s	7,361,077	\$	1,431,202	1 -	-	\$	5,929,876		1,217,127		\$	22,206	\$	70
Subtotal	s	18,068,683	  \$	2,420,340	   \$	655,635	\$	16,303,978	\$	2,063,158		\$	44,380	\$	1,90
Less Retirements and Replacement resulting			Ι΄	. 7 95	1	,	1	\$1.11 <b>85</b> 1.7		. ,	1	Ι΄.	,		
from implementation of 2005 Plan	<b>\$</b>	(2,520,865)	\$	(969,332	) s	-	\$	(1,551,534)	\$	(384,695)	1	\$	(5,253)	\$	(19
Net Total - 2005 Plan:	s	15,547,817	\$	1,451,008	1	655,635	15	14,752,444	\$	1,678,463		\$	39,127	5	1.7

ES Form 2.10 Page 2 of 2

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2011	m	Monthly C Amortization Credit	I	Monthly Depreciation Expense		Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$			467,944 444,939 - -	\$ \$ \$ \$	42,762,130 3,557,511 1,803,848 319,847	\$	486,571 313,099 60,783 78,455	\$	14,527	\$ \$ \$	152,553 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal	\$	49,317,405	\$	1,786,952	\$	912,883	\$	48,443,336	\$	938,908	\$	14,527	\$	172,558	\$	6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$		\$	-	\$	-	s	-	\$	-
Net Total - 2006 Plan;	\$	49,317,405	\$	1,786,952	\$	912,883	\$	48,443,336	s	938,908	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$		\$ \$ \$ \$	1,114,064 7,570,448 2,062,809 616,738	\$	1,114,064 7,570,448 2,062,809 616,738	\$	: : :			\$ \$ \$ \$	-	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	-	s s	-	\$ \$	11,364,059	\$	11,364,059 -	\$	-			\$ \$		\$ \$	989 <u>-</u>
Net Total - 2009 Plan;	\$	<b>+</b>	S	*	\$	11.364,059	] ] \$	11,364,059	\$				\$	-	S	989
Net Total - All Plans:	S	64,865,222	\$	3,237,960	\$	12,932,577	\$	74,559,839	\$	2,617,371	\$	14,527	\$	211,685	\$	8,899

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Attachment to Response to LGE KIUC-1 Question No.-19 Page 297 of 485 Conroy

ES FORM 2.30

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: August 31, 2011

Vintage Year	Nun	nber of Allowand	es	Tot	al Dollar Value	Of Vintag	е Үеат	Comments and Explanations	
	SO ₂	NOx	NOx	SO ₂	NC	)x		NOx	
ļ		Annuai	Ozone Season	_	Ann	ual	Ozo	ne Season	·
Current Year_	134,248	3,253	1,630	\$ 2,000.36	\$	-	\$	4.70	
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379				<u> </u>				
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379				L				
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031 - 2040	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of August 2011

	Begin Inver		Allocati Purcha		Utilized (Coal Fuel)	Utilized (Other Fuels	s)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
OTAL EMISSION	ON ALLOY	WANCES	IN INVEN	TORY	, ALL CLASSIFI	CATIONS					
Quantity		141,303		0	4,555		0	2,500		134,248	
Dollars		2,105.48	\$	-	\$ 67.87		- 3		S	2,000.36	
MAllowance	\$	0.01		-	\$ 0.01		5		\$	0.01	
ALLOCATED A			М <u>Е</u> РА: С	OAL F							
Quantity		139,276			4,454			2,500		132,322	Sale to KU (2,500)
Dollars	\$	2,052,58	\$	-	\$ 66.37	\$	- 3	37.25	\$	1,948.96	
	1					1					
ALLOCATED A	LLOWAN	CES FRO	OM EPA: O	THER	FUELS	<u> </u>			<u> </u>		
ALLOCATED A  Quantity  Dollar		2,027		THER	101				9	1,926	
Quantity	LLOWAN				101	s		3 -	\$	1,926 51.40	
Quantity Dollars	\$	2,027 52.90	\$		101				\$		
Quantity Dollars  ALLOWANCES	\$	2,027 52.90	\$		101				\$		
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ FROM PU	2,027 52.90	\$		101				\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PU	2,027 52.90 DRCHAS	\$ ES:	-	10: \$ 1.50	\$	- :	3 - - - 5 -	\$	51.40	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ FROM PU	2,027 52.90 URCHAS	\$ ES:	-	10: \$ 1.50	S	- :			51.40	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Ailowance	FROM PU	2,027 52.90 URCHAS	\$ ES:	-	10: \$ 1.50	\$	- :	3 - - - 5 -	\$	51.40	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Ailowance From KU	FROM PU	2,027 52.90 URCHAS	\$ ES:	-	\$ 1.50	\$		\$ - \$ - \$ -	\$	51.40	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance From KU Quantity	FROM PU	2,027 52.90 URCHAS	\$ ES: \$ \$	- - - -	\$ 1.50	\$ \$ \$		\$ - \$ - \$ -	\$ \$	51.40	
	FROM PU	2,027 52.90 URCHAS	\$ ES:	-	\$ 1.50	\$		\$ - \$ - \$ -	\$	51.40	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of August 2011

TOTAL EMISSION ALLO Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity Dollars \$	3,170 9.15 - NCES FRO 3,039 8.77 NCES FRO 131	0 \$ - \$ - 0M EPA: COAL F	1,524 \$ 4.40 \$ -  UEL  1,524 \$ 4.40  FUELS	16 \$ 0.05 \$ -		1,630 \$ 4.70 \$ - 1,515 \$ 4.37	· Sale Date & Vintage Years
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	3,170 9.15 - NCES FRO 3,039 8.77 NCES FRO 131	0 \$ - \$ - 0M EPA: COAL F	1,524 \$ 4.40 \$ -  UEL  1,524 \$ 4.40  FUELS	16 \$ 0.05 \$ -	\$ -	\$ 4.70	
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	3,170 9.15 - NCES FRO 3,039 8.77 NCES FRO 131	0 \$ - \$ - 0M EPA: COAL F	1,524 \$ 4.40 \$ -  UEL  1,524 \$ 4.40  FUELS	16 \$ 0.05 \$ -	\$ -	\$ 4.70	
Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	9.15 - 3,039 8.77 NCES FRO	\$ - \$ - OM EPA: COAL F	\$ 4.40 \$ - UEL 1,524 \$ 4.40 FUELS	\$ 0.05	\$ -	\$ 4.70	
\$/Allowance \$ ALLOCATED ALLOWA Quantity Dollars \$ ALLOCATED ALLOWA Quantity	3,039 8.77 NCES FRO	S - OM EPA: COAL F	UEL 1,524 \$ 4.40	-	-	1,515	
ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	3,039 8.77 8.77	M EPA: COAL F	UEL 1,524 \$ 4.40			1,515	
Quantity Dollars \$  ALLOCATED ALLOWA Quantity	3,039 8.77 NCES FRO	\$ -	1,524 \$ 4,40 FUELS				
Quantity Dollars \$  ALLOCATED ALLOWA Quantity	3,039 8.77 NCES FRO	\$ -	1,524 \$ 4,40 FUELS				
Dollars \$  ALLOCATED ALLOWA Quantity	8.77 NCES FRO		\$ 4.40				
ALLOCATED ALLOWA Quantity	NCES FRO		FUELS			1,34	
Quantity	131	M EPA: OTHER					<u> </u>
Dollars   \$			<u> </u>	16		115	
	0.38	\$ -	\$ -	\$ 0.05	\$ -	\$ 0.33	
ALLOWANCES FROM I							
Quantity	0	0	<del></del>	<del></del>	<del></del>	<del></del>	
Dollars \$		\$ -	\$ -	\$ -	\$ -		<u> </u>
\$/Allowance \$		\$ -	\$ -	-	s -	s -	<u> </u>
From KU:			T				
Quantity	0	0	0	C	0	0	
Dollars \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance \$	-	S -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2011

	Beginning	1	Allocations/	Utilized	Utilized			Ending		Allocation, Purchase, or
	Inventory		Purchases	(Coal Fuel)	(Other Fuels)	So	ld	Inventory		Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWAN	CES IN	INVENTORY	, ALL CLASSIFIC	CATIONS					
Quantity	4,7	93	0	1,524	16		0		,253	
Dollars	\$ -			\$ -	\$ -	\$	-	\$	-	
\$/Allowance	\$ -	\$	-	\$ -	\$	\$	•	\$	-	
					•					
	ALLOWANCES I		EPA: COAL F							
Quantity	4,6		•	1,524			-		5,142	
Dollars	\$ -	\$		\$ -	<u>-</u>	\$		\$	-	
		!			1					
	ALLOWANCES 1		EPA: OTHER	FUELS						
Quantity		27	-	-	16				111	
Dollars	\$	. \$	-	\$ -	\$	\$		\$		
		l		<u> </u>	<u></u>	<u>.                                </u>		L		
		•							•	
	ES FROM PURCH	<u> [ASES:</u>				.,				
From Market:										
Quantity		0	0	0			. 0		0	
Dollars	\$ -		-	\$ -	-	S	<del>-</del>	\$	·-	
\$/Allowance	\$ -	- \$	-	\$ -	\$ -	\$		\$	<u></u>	·
		<del></del>						·,···		,
From KU:										· · · · · · · · · · · · · · · · · · ·
A		<u> </u>	0	0			0		0	
Quantity	1.0	-   \$	-	\$ -	\$ -	\$		\$		
Dollars	\$					I m		S		
		- S		- \$	\$	\$				
Dollars			-	-		\$			- [	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2011

Environmental Compliance Plan						
O&M Expenses		Amount				
11th Previous Month	\$	165,844				
10th Previous Month		94,372				
9th Previous Month		121,474				
8th Previous Month		175,687				
7th Previous Month		100,889				
6th Previous Month		160,038				
5th Previous Month		150,155				
4th Previous Month		102,021				
3rd Previous Month		148,079				
2nd Previous Month		106,254				
Previous Month		170,289				
Current Month		270,125				
Total 12 Month O&M	\$	1,765,227				

Determination of Working Cap	ital Allowa	nce	
12 Months O&M Expenses	\$		1,765,227
One Eighth (1/8) of 12 Month O&M Expenses	ŀ	1/8	
Pollution Control Cash Working Capital Allowance	\$		220,653

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: August 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
Octivi Expense Account	Canc Run	I WIIII CICCK	Timote County	TOTAL
2001 Plan	•			
506154 - ECR NOx Operation - Consumables		- (	- 1	
506155 - ECR NOx Operation - Labor and Other	<del>"                                    </del>	-	-	-
512151 - ECR NOx Maintenance	<del></del>	-	-	•
Total 2001 Plan O&M Expenses	to the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second se			-
2005 Plan				
502056-ECR Scrubber Operations			52,402,46	52,402.46
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense		-		<u> </u>
Total 2005 Plan O&M Expenses		-	52,402.46	52,402.46
2006 Plan			10.004.05	10.004.05
506159 - ECR Sorbent Injection Operation		-	12,834.85	12,834.85
506152 - ECR Sorbent Reactant - Reagent Only		<del></del>	54,189.18	54,189.18
512152 - ECR Sorbent Injection Maintenance		-	318.80	318.80
506150 - ECR Mercury Monitors Operation	<del></del>	-		<del></del>
512153 - ECR Mercury Monitors Maintenance		-	13,597,19	13,597.19
502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	<del></del>		7,706.74	7,706.74
506154 - ECR NOX Operation Consumables			19,151.11	19.151.11
506155 - ECR NOx Operation — Labor and Other			1,542.80	1,542.80
512151 - ECR NOx Maintenance			99.29	99.29
506051 - ECR Precipitator Operation			99.29	27.27
506151 - ECR Activated Carbon	_		104,635.06	104,635,06
512051 - ECR Precipitator Maintenance	<del></del>		3,647.55	3,647.55
Total 2006 Plan O&M Expenses	\$ -	-	217,722,57	217,722.57
2009 Plan		· ·		
502012 - ECR Landfill Operations		:		-
512105 - ECR Landfill Maintenance	<u> </u>			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	
Current Month O&M Expense for All Plans			270,125,03	270,125.03
Controlle traded Contraction for All Land			2,0,120,00	210,123.0

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Print CORD' IN 199 (D. COMPIL D. 1. A.		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	Φ.	
(1) 12 Months Ending with Expense Month	\$	- \$
(2) Monthly Amount [(1) / 12]	\$	- \$
2009 Plan Project		
(3) Monthly Expense	\$	\$
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	\$
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	. \$ .
6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
7) Total Generating Station Less Base Rates [(4) - (6)]	\$	. \$
8) Less 2009 Plan Project [(7) - (3)]	\$ .	· \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
ljustment for Base Rate Amount (to ES Form 2.50)	<u> </u>	1\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2,51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: August 31, 2011

Third Party	O&M Expense Account	Plant	Total O&M
			,
	•		
Total Monthly Bene	ficial Reuse Expense		\$ -
	ficial Reuse in Base Rates (from ES Form 2	2.61)	\$ -
Net Beneficial Reuse	O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2011

On-Site CCP Disposal O&M Expense	Cane F	Run	Mill Creek		Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			·				
(1) 12 Months Ending with Expense Month	\$ "		\$	-	\$	-	
(2) Monthly Amount [(1) / 12]	\$		\$	<u> </u>	\$	-	
2009 Plan Project 25					<del> </del>	<u> </u>	
(3) Monthly Amount (Expense/Revenue)	\$		\$	-	\$	-	
Total Beneficial Reuse - Generating Station			· · · · · · · · · · · · · · · · · · ·			<u> </u>	
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	-	
Beneficial Reuse in Base Rates	<del></del>			<u> </u>	<u> </u>		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	<del> </del>		\$		\$		<del>,</del>
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$		
If Line (8) Greater than Zero, No Adjustment		-					
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	<u> </u>		1 \$		T\$	- 1:	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Attachment to Response to LGE KIUC-1 Question No.49 Page 306 of 485 Conroy

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: August 31, 2011

			Kentucky Jurisc	lictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,1
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,9
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,2
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,0
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,4
Feb-II	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,6
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,4
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,9
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,9
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,7
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,8
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,2
for 12 Months Ending	isdictional Revenues, Ex g Current Expense Mont	h.				\$ 76,198,522			
	ion Percentage for Curr intucky Jurisdictional Re				(7) / Column (10) =	·			93,59%
							Note 1 - Excludes To	s Brokered Sales, tal for Current Month =	\$ (436,382

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2011

	]	Revenues per	R	levenues per
	Form 3.00		Income Stateme	
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	99,019,080	\$	99,019,080
Fuel Adjustment Clause	\$	4,591,621	\$	4,591,621
DSM	\$	1,891,554	\$	1,891,554
Environmental Surcharge			\$	272,788
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	105,502,255		
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	7,222,945	\$	7,222,945
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,222,945		
Total Company Revenues for Environmental Surcharge Purposes =	\$	112,725,200		
Reconciling Revenues	<u> </u>		L	
Brokered	\$	(436,383)	\$	(436,383)
InterSystem (Transmission Portion Booked in Account 447)			\$	-
Unbilled			\$	(8,640,630
Miscellaneous			\$	1,558,468
Total Company Revenues per Income Statement =			\$	105,479,443



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

OCT 1 8 2011

PUBLIC SERVICE

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

October 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after October 28, 2011.

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in September 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Conroy

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

**INVOICE DATE:** 

8/1/2011 .

INVOICE #:

20110801

INVOICE PERIOD:

07/06/11 - 08/01/11

**PROJECT NAME:** 

Kentucky LGE Environmental Compliance

**ITAGE PROJECT #:** 

2011-56

AUG 05-2011

Walney Million of the

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

PROJECT DESCRIPTION:

LGE Environmental Compliance



CONSULTANT	MONTH	HOURS WORKED	HOURLY RÀTE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Bolsmenu Mark Fowler	July July July July	50. . 16	\$240 \$240	\$10,400,00 \$12,000.00 \$3,840.00 \$4,320.00		\$10,400.00 \$12,000.00 .\$3,840.00 \$4,320.00	
SUB TOTALS		124	<u>-</u>	\$30,560,00	\$0.00	\$30,560,00	

TOTAL FEES

TOTAL PERSONAL EXPENSES

**OVERNIGHT MAIL** 

COPYING - Black/White

COPYING - Color MISCELLANEOUS

invoice Amount

\$30,560.00

\$0.00

\$0.00

\$166.60

\$263.40

\$30,990.00

TOTAL MONTHLY INVOICE AMOUNT

\$30,990.00

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC.

21460 Overseas Hwy.

Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

8/8/11

Kentucky invoice 20110801, 8/1/2011

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

, Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of September 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 156,849

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1,10, line 16

0.21%

Effective Date for Billing: November billing cycle beginning October 28, 2011

Submitted by:

Title: Director, Rates

Date Submitted: October 18, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of September 2011

### Calculation of Total E(m)

E(m) = [(RB / 12) (	(ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	==	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	==	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

				Environme	ntal Compliance Plans
(1)	RB		· =	\$	72,226,494
(2)	RB / 12		=		6,018,875
(3)	(ROR + (ROR - DR)	(TR / (1 - TR)))	=		11,31%
(4)	OE		=		395,167
(5)	BAS		=		37
(6)	BR		F		-
(7)	E(m)	(2) × (3) + (4) - (5) + (6)	=	\$	1,075,865

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

	•		
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	87,55%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	941,920
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9)+(10)+(11)]	=	941,920
(13)	Revenue Collected through Base Rates	= \$	785,071
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	156,849
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= <b>\$</b>	76,075,877
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	0.21%

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of September 2011

Determination of Environmental Compliance Rate Base

	Enviromental Com	oliance Plan
Bligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,361,797	
Subtotal	\$	78,227,019
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	221,741	
Deferred Debit Balance Mill Creek Ash Dredging	•	
Subtotal		221,741
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	3,454,898	
Pollution Control Deferred Income Taxes	2,767,368	
Subtotal		6,222,266
Environmental Compliance Rate Base	S	72,226,494

**Determination of Pollution Control Operating Expenses** 

		 omental ance Plan
Monthly Operations & Maintenance Expense		\$ 174,545
Monthly Depreciation & Amortization Expense	,	211,685
less investment tax credit amortization		(14,527)
Monthly Property and Other Applicable Taxes		8,899
Monthly Insurance Expense		 -
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		 -
Monthly Permitting Fees		-
Amortization of Monthly Mill Creek Ash Dredging		 -
Monthly Surcharge Consulting Fees - Case No. 2011-00162		 14,565
Less: Operating Expenses Associated with Retirements or Replacements		 -
Occuring Since Last Roll-In of Surcharge into Existing Rates		
Total Pollution Control Operations Expense		\$ 395,167

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental
	Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	
	and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	Total oceeds	ł	ount in Rates		let ceeds
	 (1)		(2)	(1)	- (2)
Allowance Sales	\$ 37	\$	-	\$	37
Scrubber By-Products Sales	-		-		-
Total Proceeds from Sales	\$ 37	\$		\$	37

Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2011

(1)		(2)		(3)		(4)		<u>(5)</u>		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2011	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
			Ĺ					(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	-	\$		\$		\$	-	\$	-		\$	•	\$	<u>-</u>
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	- -	\$ \$	_	\$ \$	<del>-</del>	\$ \$	-	A Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Comp	\$		\$ \$	-
Net Total - 2001 Plan;	S	-	\$	-	\$	_	\$	_	\$	-		\$		S	<del></del>
2003 Plan: Project 7 - Mill Creck FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$		\$ \$ \$ \$	<u>-</u> - -	\$ \$ \$	• - - -	\$ \$ \$	-	\$ \$ \$	· · · · · · · · · · · · · · · · · · ·	,	\$ \$ \$	* -	\$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	_	\$	-	\$ \$	-	\$ \$	-	s s	-		s s	-	\$ \$	-
Net Total - 2003 Plan:	\$	_	S		\$	-	s		S	- 1		\$	-	S	-
2005 Plan: Project 11 - Special Waste Londfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	´-	\$ \$ \$ \$	115,239 55,121	\$ \$ \$ \$	1,338 714,790 - - - - - - - - - -	\$ \$ \$ \$ \$ \$ \$	4,375,353 5,048,821 734,861 253,386 5,907,670 16,320,091 (1,551,534)	\$ \$ \$ \$	459,998 330,055 101,650 19,886 - 1,233,766 2,145,355 (384,695)		***	10,067 8,397 2,564 1,147 - 22,206 44,380 (5,253)	\$ \$ \$	448 622 95 33 - 763 1,961
			<u></u>		<u> </u>		<u> </u>			1.750.550			22.127		1.76
Vet Total - 2005 Plan:	\$	15,547,817	I \$	1,495,389	5	716,129	5	14,768,557	\$	1,760,660		\$	39,127	55	1,76

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2011

(1)		(2)		(3)	(4	1)		(5)	 (6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation	CW Amo Exclu AFU	ount uding		Eligible Net Plant In Service	Deferred Tax Balance as of 9/30/2011		Monthly Amortization Credit		Monthly epreciation Expense	P:	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$	1,288,199 337,281 255,365 78,665	\$ \$	463,499 446,428 -		42,605,132 3,549,224 1,794,981 318,486	\$ 543,977 321,632 62,250 78,849	s	14,527	***	152,553 9,777 8,867 1,361	S S	5,414 454 234 41
Subtotal  Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	49,317,405	\$	1,959,510 -	\$ \$	909,928	\$	48,267,823 -	\$ 1,006,708	\$ \$	14,527 -	\$	172,558 -	\$ \$	6,144 -
Net Total - 2006 Plan;	\$	49,317,405	\$	1,959,510	\$	909,928	\$	48,267,823	\$ 1,006,708	\$	14,527	S	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$ \$	-	\$ \$ \$	-	\$	1,139,335 7,785,982 2,172,925 637,498	\$ \$	1,139,335 7,785,982 2,172,925 637,498	\$ -			\$ \$ \$	-	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	\$	-	\$ 1 \$	1,735,740	s s	11,735,740	\$ -	I I		\$ \$	-	\$	989
Net Total - 2009 Plan;	ŝ	-	\$	_	\$ 1	1,735,740	Ŝ	11,735,740	\$ -	10100000100		\$	-	S	989
Net Total - All Plans:	\$	64,865,222	\$	3,454,898	S 1	3,361,797	\$	74,772,121	\$ 2,767,368	\$	14,527	S	211,685	\$	8,899

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: September 30, 2011

Vintage Year	Num	nber of Allowand	es	Tot	al Dolla	r Value Of Vintage	Year		Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$		NOx	]	NOx	
		Annual	Ozone Season			Annual	0	Ozone Season	
Current Year	128,034	2,460	1,087	\$ 1,907.75	\$	_	\$	865.13	
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								<u> </u>
2016	62,379				-				
2017	62,379								
2018	62,379								
2019	62,379						T		
2020	62,379	*			1				
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								, <u>, , , , , , , , , , , , , , , , , , </u>
2025	62,379						1		
2026	62,379								
2027	62,379						1		
2028	62,379				T		1		
2029	62,379						1		
2030	62,379				t		1		
2031 - 2040	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of September 2011

Inventory		Beginning	Allocations/	Utilized	Utilized		Ending	· Allocation, Purchase, or
Quantity			Purchases	(Coal Fuel)	(Other Fuels)	Sold		
Quantity			,				·	
Dollars   \$ 2,00.36   \$ - \$ 55.56   \$ - \$ 37.25   \$ 1,907.75	TOTAL EMISSIC	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
SyAllowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance   Syallowance				3,714	0	2,500	128,034	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL  Quantity								
Quantity   132,322   -   3,628   2,500   126,194   Sale to KU (2,500)	\$/Allowance	\$ 0.01	S -	\$ 0.01	\$ -	\$ 0.01	\$ . 0.01	
Quantity   132,322   -   3,628   2,500   126,194   Sale to KU (2,500)								•
Dollars   \$ 1,948.96   \$ - \$ 54.08   \$ - \$ 37.25   \$ 1,857.63							*	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity								Sale to KU (2,500)
Quantity       1,926       -       86       -       -       1,840         Dollars       \$ 51.40       \$ -       \$ 1.28       \$ -       \$ 50.12     ALLOWANCES FROM PURCHASES:  From Market:    Quantity	Dollars	\$ 1,948.96	\$ -	\$ 54.08	\$ -	\$ 37.25	\$ 1,857.63	
Quantity       1,926       -       86       -       -       1,840         Dollars       \$ 51.40       \$ -       \$ 1.28       \$ -       \$ 50.12     ALLOWANCES FROM PURCHASES:  From Market  Quantity	<del></del>	L		L			<u> </u>	<u> </u>
Quantity       1,926       -       86       -       -       1,840         Dollars       \$ 51.40       \$ -       \$ 1.28       \$ -       \$ 50.12     ALLOWANCES FROM PURCHASES:  From Market:    Quantity							,	
Quantity         1,926         -         86         -         -         \$ 50.12           Dollars         \$ 51.40         \$ -         \$ 1.28         \$ -         \$ -         \$ 50.12    ALLOWANCES FROM PURCHASES:  From Market:  Ouantity								
Dollars			M EPA: OTHER			,		
ALLOWANCES FROM PURCHASES:  From Market:								<u> </u>
From Market:  Quantity  Dollars  SALOWANCE  From KU  Quantity  Quantity  Countity  Cou	Dollars	\$ 51.40	\$ -	\$ 1.28	-	<u> </u>	\$ 50.12	
From Market:  Ouantity  Dollars  SALOWANCE  From KU  Quantity  Cuantity  Cua							ļ	
From Market:  Quantity  Dollars  SALOWANCE  From KU  Quantity  Quantity  Countity  Cou	ATTOMANORO	ZDONE DEDOCTE A CO	rc.					
Quantity         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -<		KOM PUKCHASI	7:3:	ı	T	<del>                                     </del>	T	<u> </u>
Dollars				<u> </u>		<del> </del>	+	
\$/Allowance						·		
From KU Quantity Dollars \$ - \$ - \$ - \$ - \$ - \$ - \$								
Quantity         -         -         -         -         -         -         -         Dollars         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	⊅/Anowance	<u> </u>	<b>3</b> -	-	۵ -	<u>-</u>	-	
Quantity         -         -         -         -         -         -         -         Dollars         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -	Erom VII	<u> </u>				<u> </u>	· · · · · · · · · · · · · · · · · · ·	
Dollars   \$ - \$ - \$ - \$ - \$ - \$ -				<del>                                     </del>	<u> </u>		<u> </u>	
					<del> </del>			
Mullowatire 19 - 19 - 19 - 19 - 19 - 1					I			
	∌/Autowance	-	ა -	] <b>3</b> -	-	<u>-</u>		L

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of September 2011

Dollars \$	1,630	Purchases  S IN INVENTORY  750	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
Quantity Dollars \$	1,630	S IN INVENTORY	, ALL CLASSIFIC			•	
Quantity Dollars \$	1,630	S IN INVENTORY	, ALL CLASSIFIC	L MITATO			
		750		ATIONS			
	470		1,285			1,08	7
\$/Allowance \$	4.70	\$ 864.16	\$ 3.70	\$ 0.03	\$ -	\$ 865.1	3
	-	\$ 1.15	\$ -	-	\$ -	\$ 0.8	0
							1
ALLOCATED ALLO	WANCES FRO	)M EPA: COAL F	UEL				
Quantity	1,515	-	1,285	-	-	98	0 Ending Inventory includes purchase from KU as shown
Dollars \$	4.37	\$ -	\$ 3.70	\$ -	\$ -	\$ 864.8	3 below.
ALLOCATED ALLO	WANCES FRO	M EPA: OTHER	FUELS				
Quantity	115	-	-	8		10	7
Dollars \$	0.33	\$ -	\$ -	\$ 0.03	\$ -	\$ 0.3	0
ALLOWANCES FRO	OM PURCHASI	ES:					
From Market;							
Quantity	0	0	0	0	0		0
Dollars \$		\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance \$		\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:					T		
Quantity	0	750	0	0	0	75	0 Purchase from KU - included in Ending Inventory -
Dollars \$		\$ 864.16		\$ -	s -	\$ 864.1	
		\$ -	\$ -	\$ -	s -	\$ 1.1	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of September 2011

	Beginning	Allocations/							Ending	Allocation, Purchase, or	
	Inventory	Purchases	(Coal Fuel		(Other Fuels)		Sold	Inventory Sale Date & Vir		Sale Date & Vintage Years	
TOTAL EMISS	ION ALLOWANCE:	S IN INVENTOR	Y, ALL CLASS	FICATI	ONS						
Quantity	3,253	500	1,	285	8		0		2,460		
Dollars	\$ -	\$ -	\$	- \$_		\$		\$	-		
\$/Allowance	\$ -	\$ -	\$	- \$	· · · · · · · · · · · · · · · · · · ·	\$		\$	-		
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL	FUEL							·	
Quantity	3,142	-	1,	285	-				2,357	Ending Inventory includes purchase from KU as shown	
Dollars	\$ -	\$ -	\$	- \$	-	\$	-	\$		below.	
					•						
	ALLOWANCES FRO	OM EPA: OTHER	FUELS								
Quantity	111			-	8		-		103		
Dollars	\$ -	S -	\$	- \$	<u> </u>	\$		\$	-		
	<u> </u>					<u> </u>					
	S FROM PURCHAS	ES:			· · · · · · · · · · · · · · · · · · ·						
From Market:											
From Market: Quantity	0			0	0		0		0		
From Market: Quantity Dollars	\$ -	\$ -	\$	- \$	0 -	\$	0 -	\$	0		
From Market: Quantity	0							\$			
From Market: Quantity Dollars \$/Allowance	\$ -	\$ -	\$	- \$		\$	-	_	-		
From Market: Quantity Dollars \$/Allowance From KU:	\$ -	\$ - \$ -	\$ \$	- \$	-	\$	-	_	-		
From Market: Quantity Dollars \$/Allowance From KU: Quantity	\$ -	S - S -	\$ \$	- \$		\$	-	_	-	Purchase from KU - included in Ending Inventory -	
From Market: Quantity Dollars \$/Allowance From KU:	0 \$ - \$ -	\$ - \$ -	\$ \$	- \$ - \$	-	\$	-	_	-	Purchase from KU - included in Ending Inventory - Coal Fuel as shown above.	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2011

Environmental Co	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	94,372
10th Previous Month		121,474
9th Previous Month		175,687
8th Previous Month		100,889
7th Previous Month		160,038
6th Previous Month		150,155
5th Previous Month		102,021
4th Previous Month		148,079
3rd Previous Month		106,254
2nd Previous Month		170,289
Previous Month		270,125
Current Month		174,545
Total 12 Month O&M	\$	1,773,928

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		1,773,928					
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$		221,741					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: September 30, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables		-	-	
506155 - ECR NOx Operation Labor and Other		-	_	
512151 - ECR NOx Maintenance		-	-	
Total 2001 Plan O&M Expenses		- ]	-	-
2005 Plan				
502056-ECR Scrubber Operations			51,108,65	51,108.65
512055-ECR Scrubber Maintenance		area area (1965), caractan, canada (1966).		
Ashpond Dredging Expense		-	1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S. 1865 S	
Total 2005 Plan O&M Expenses		_	51,108.65	51,108.65
2006 Plan				
506159 - ECR Sorbent Injection Operation		•	12,206.01	12,206,01
506152 - ECR Sorbent Reactant - Reagent Only		-	61,808.18	61,808.18
512152 - ECR Sorbent Injection Maintenance	and the second of the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s		(217.55)	(217.55
506150 - ECR Mercury Monitors Operation			-	
512153 - ECR Mercury Monitors Maintenance	-		-	-
502056 - ECR Scrubber Operations			7,351.37	7,351.37
512055 - ECR Scrubber Maintenance		en jednika je projekta	5,518.97	5,518.97
506154 - ECR NOx Operation — Consumables			9,734,31	9,734.31
506155 - ECR NOx Operation — Labor and Other			762.93	762.93
512151 - ECR NOx Maintenance		그 아들이 보이는 소마는데 설립	903.17	903.17
506051 - ECR Precipitator Operation			475.51	475.51
506151 - ECR Activated Carbon			16,511.48	16,511.48
512051 - ECR Precipitator Maintenance			8,381.97	8,381.97
Total 2006 Plan O&M Expenses	-	<u> </u>	123,436,35	123,436.35
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance				-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	_		-	- · · · · · · · · · · · · · · · · · · ·
Net 2009 Plan O&M Expenses				
POST AL ORMET TO THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF T			184.646.65	184 810 82
Current Month O&M Expense for All Plans			174,545.00	174,545.00

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	-   \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		*
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2,50)	1\$	- (\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2,51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: September 30, 2011

Third Party	O&M Expense Account	Plant	Total O&M
-		_	
Total Monthly Bene	ficial Reuse Expense		\$ -
	eficial Reuse in Base Rates (from ES Form 2	.61)	\$ -
Net Beneficial Reus	e O&M Expense		

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2011

On-Site CCP Disposal O&M Expense	Ca	Cane Run		Mill Creek		le County	Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)								
(1) 12 Months Ending with Expense Month	\$		\$	_	\$	_		
(2) Monthly Amount [(1) / 12]	\$		\$		\$	-		
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$		\$		\$	-		
Total Beneficial Reuse - Generating Station				· · · · · · · · · · · · · · · · · · ·		<del></del>	<del></del>	
(4) Monthly Expense [(2) + (3)]	\$		\$	_	\$	-		
Beneficial Reuse in Base Rates		··		<del></del>				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$			
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	#		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	-	\$			
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	-	\$			
If Line (8) Greater than Zero, No Adjustment				<u></u>			<del></del>	
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2,60)	<del></del>		T \$		T \$	- 13	_	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 2011

	Kentucky Jurisdictional Revenues							Total Compar	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Surcharge Total		Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68.046.072	(6)-(5) 69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976
Jun-Il	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,200
Sep-11	83,107,600	2,677,626	1,499,239	165,369	87,449,834	87,284,465	12,412,938	99,862,772	99,697,403
	risdictional Revenues, E ng Current Expense Mon	xcluding Environmental S th.	Surcharge,			\$ 76,075,877			
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				87.55%
		-					Note 1 - Excludes Tota	Brokered Sales, I for Current Month =	\$ (255,663.22)

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2011

		Revenues per	F	Revenues per
		Form 3.00	Inc	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	83,107,600	\$	83,107,600
Fuel Adjustment Clause	\$	2,677,626	\$	2,677,626
DSM	\$	1,499,239	\$	1,499,239
Environmental Surcharge			\$	165,369
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	87,284,465		
Non -Jurisdictional Revenues		,		
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	12,412,938	\$	12,412,938
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	12,412,938		
Total Company Revenues for Environmental Surcharge Purposes =	\$	99,697,402		,
Reconciling Revenues	 			
Brokered .	\$	(255,663)	\$	(255,663
InterSystem (Transmission Portion Booked in Account 447)			\$	. –
Unbilled			\$	(15,369,178
Miscellaneous			\$	2,021,408
Total Company Revenues per Income Statement =			\$	86,259,338

Conroy



PUBLIC SERVICE COMMISSION

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602

Louisville Gas and **Electric Company** State Regulation and Rates 220 West Main Street P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

November 18, 2011

Robert M. Conroy Director - Rates T 502-627-3324

RE:

Monthly Environmental Surcharge Report

F 502-627-3213 robert.conroy@lge-ku.com

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after November 29, 2011.

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in October 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Attachment to Response to LGE KIUC-1 Question No. 19 Page 327 of 485 Conrov

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID# 27-2585037

INVOICE DATE:

9/1/2011

INVOICE #:

20110902

INVOICE PERIOD:

08/01/11 - 8/31/2011

PROJECT NAME:

Kentucky LGE Environmental Compliance

ITAGE PROJECT#:

2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	МОИТН	HOURS WORKED	HOURLY RATE	BILLABLE   FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	August August August August	68 91	\$240 \$240	\$10,400.00 \$16,320.00 \$21,840.00 \$7,200.00	\$90.00	\$11,393.52 \$16,410.00 \$21,840.00 \$7,200.00	
SUB TOTALS		. 248	<u> </u>	\$55,760.00	\$1,083.52	\$56,843.52	,

TOTAL FEES

TOTAL PERSONAL EXPENSES

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS

Invoice Amount

\$55,760.00

\$1,083.52

\$0.00

\$35.00

\$34.20

\$56,912.72

#### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski

305-744-3440

Kenlucky Invoice 20110902, 9/8/2011

Attachment to Response to LGE KIUC-1 Question No. 19 Page 328 of 485

Conroy

OCT 36 2011

FINAN:

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID# 27-2585037

INVOICE DATE:

10/1/2011

**INVOICE #:** 

20110903

**INVOICE PERIOD:** 

09/01/2011-9/30/2011

**PROJECT NAME:** 

Kentucky LGE Environmental Compliance

**ITAGE PROJECT #:** 

2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

#### PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	September September September September	26 88	\$240 \$240	\$19,760.00 \$6,240.00 \$21,120.00 \$11,760.00		\$19,760.00 \$6,240.00 \$21,120.00 \$11,760.00	
SUB TOTALS		239		\$58,880.00	\$0.00	\$58,880.00	* * * * * * * * * * * * * * * * * * * *

**TOTAL FEES** 

**TOTAL PERSONAL EXPENSES** 

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS

Invoice Amount

\$58,880.00

\$0.00

\$0.00

\$38.80

\$3,60

\$58,922.40

#### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of October 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 199,221

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

0.26%

Effective Date for Billing: December billing cycle beginning November 29, 2011

Submitted by:

Title: Director, Rates

Date Submitted: November 18, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of October 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	==	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	-	Pollution Control Operating Expenses
BAS	==	Total Proceeds from By-Product and Allowance Sales
BR	==	Beneficial Reuse Operating Expenses

•				Environmental					
(1)	RB		=	\$	72,290,860				
(2)	RB / 12	-	<b>#</b>		6,024,238				
(3)	(ROR + (ROR - !	DR) (TR / (1 - TR)))	==		11.31%				
(4)	OE		==		322,068				
(5)	BAS		=		7				
(6)	BR		=		•				
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	. =	\$	1,003,401				

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	±±	82.68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	<b>= \$</b>	829,612
(10)	Adjustment for (Over)/Under-collection pursuant to	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	829,612
(13)	Revenue Collected through Base Rates	<b>= \$</b>	630,391
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	199,221
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	<b>= \$</b>	75,853,157
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	æ	0.26%

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of October 2011

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Plan							
Eligible Pollution Control Plant	\$ 64,865,222							
Eligible Pollution CWIP Excluding AFUDC	13,797,198							
Subtotal	\$	78,662,420						
Additions:	Neg et al.							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33								
Cash Working Capital Allowance	217,641							
Deferred Debit Balance Mill Creek Ash Dredging	•							
Subtotal		217,641						
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant	3,671,836							
Pollution Control Deferred Income Taxes	2,917,365							
Subtotal		6,589,201						
Environmental Compliance Rate Base	\$	72,290,860						

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 61,568
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	54,443
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 322,068

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
·	Comp	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	

Proceeds From By-Product and Allowance Sales

	Total Proceed	3	ount in e Rates	Net Proceeds (1) - (2)			
	(1)		(2)				
Allowance Sales	\$	_ 7	\$ -	\$	7		
Scrubber By-Products Sales		-	-		-		
Total Proceeds from Sales	<b>S</b>	7	\$ •	S	7		

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2011

Description  2001 Plan: Project 6 - LGE NOx Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan \$	İ	(3)		(4)		(5)		(6)		(7)	(8)		(9)		
Project 6 - LGE NOx  Subtotal  Less Retirements and Replacement resulting from implementation of 2001 Plan  \$	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred ax Balance as of 10/31/2011	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Monthly Property Tax Expense		
Project 6 - LGE NOx  Subtotal  Less Retirements and Replacement resulting from implementation of 2001 Plan  \$							(2)-(3)+(4)								
Project 6 - LGE NOx \$  Subtotal \$  Less Retirements and Replacement resulting from implementation of 2001 Plan \$  \$															
Less Retirements and Replacement resulting from implementation of 2001 Plan \$	-	\$	-	\$	-	\$	-	\$	=		s	-	\$	-	
from implementation of 2001 Plan	_	S	_	\$	-	\$	_	\$	_		\$	_	\$	-	
		\$	-	\$	-	\$	-	\$			\$	-	\$	-	
Net Total - 2001 Plan: S	-	\$	-	\$	-	\$		S	_		\$		S	-	
4444	1								,						
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion \$ Project 8 - Precipitator Upgrades - All Plants \$	-	\$	-	S	-	s s	-	s s	-		s s	_	s s	-	
Project 9 - Clearwell Water System - Mill Creek \$	Ţ.	\$	- 1	S S	-	\$	-	\$	_		\$	-	S	-	
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4 \$		\$	-	\$	-	\$	-	\$	-		\$	-	\$	-	
Subtotal \$	_	\$	•	\$	-	\$	-	\$	•		\$	-	\$	4	
Less Retirements and Replacement resulting from implementation of 2003 Plan \$	_	\$	-	\$	-	\$		\$	-		s	- '	\$	-	
Net Total - 2003 Plan: \$	_	\$	-	\$	_	\$	-	S	_		\$	- '	\$		
2005 Plan:											ł				
Project 11 - Special Waste Landfill Expansion at Mill Creek \$	4,818,430	s	454,482	s	1,496	s	4,365,444	s	517,706		s	10,067	s	44	
Project 12 - Special Waste Landfill Expansion at Cane Run Station \$	4,730,568		404,934		728,930	\$	5,054,564		335,772		\$	8,397		62	
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 \$	850,100	\$	117,803			S	732,297		103,653		\$		\$	9	
Project 14 - Scrubber Refurbishment at Cane Run Unit 6 \$	308,507	\$	56,268	\$	-	\$	252,239		20,016	'	\$	1,147	\$	3	
Project 15 - Scrubber Refurbishment at Cane Run Unit 5 . \$	_	\$	-	\$	_	S	-	\$	-	j	\$	-	\$	_	
Project 16 - Scrubber Improvements at Trimble County Unit 1 \$	7,361,077	\$	1,475,614	\$	-	\$	5,885,464	\$	1,250,405		\$	22,206	S	76	
Subtotal \$				<del>}</del>		<del> </del>	16 500 000	L			1.5	44.000	<u> </u>	1,96	
Less Retirements and Replacement resulting from implementation of 2005 Plan \$	18,068,683	\$	2,509,101	\$	730,426	2	16,290,008	2	2,227,551		1.3	44,380	2	1,50	
Net Total - 2005 Plan; \$	18,068,683 (2,520,865)	ļ	2,509,101 (969,332)	ļ	730,426	\$	(1,551,534)	ļ	(384,695)		\$	44,380 (5,253)	ļ	. (19	

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2011

(1)		(2)		(3)		(4)		. (5)		(6)		(7)		(8)	-	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2011		Monthly ITC Amortization Credit		Monthly Depreciation Expense			Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$	1,440,752 347,057 264,232 80,025	\$	474,394 446,428 -		42,463,473 3,539,448 1,786,114 317,126	\$	601,383 330,164 63,718 79,244	s	14,527	\$ \$ \$ \$	152,553 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	49,317,405 -	\$	2,132,067	\$	920,822 -	\$	48,106,160 -	\$	1,074,509 -	\$	14,527	\$	172,558	\$	6,144 -
Net Total - 2006 Plan:	\$	49,317,405	\$	2,132,067	\$	920,822	\$	48,106,160	\$	1,074,509	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Lundfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Lundfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$ \$		\$ \$ \$	1,155,356 8,062,536 2,284,987 643,072	\$	1,155,356 8,062,536 2,284,987 643,072	\$	-			\$ \$ \$	-	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	s s	*	\$	12,145,950	\$	12,145,950	\$ \$	₩ -			\$ \$	<u>-</u>	\$ \$	989 -
Net Total - 2009 Plan:	Š	_	S	_	S	12,145,950	\   \$	12,145,950	\$	-			S	-	\$	989
Net Total - All Plans:	\$	64,865,222	\$	3,671,836	\$	13,797,198	   \$	74,990,584	   \$	2,917,365	   \$	14,527	   \$	211,685	<u> </u>	8,899

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2011

Vintage Year	Nun	aber of Allowan	ces	To	al Dolla	ar Value Of Vintage	Year		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	
		Annual	Ozone Season		Į.	Annual		Ozone Season	
Current Year	123,960	1,835	1,087	\$ 1,847.04	\$	24,402.00	\$	865.13	
2012	62,379						1		
2013	62,379				Ì				
2014	62,379						1		
2015	62,379				.].		]		
2016	62,379								
2017	62,379					<u> </u>			
2018	62,379								
2019	62,379						$oldsymbol{oldsymbol{oldsymbol{oldsymbol{\bot}}}$		
2020	62,379						1		
2021	62,379								
2022	62,379								
2023	62,379						<u> </u>		
2024	62,379								
2025	62,379								
2026	62,379				1				
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031 - 2040	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY

#### ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of October 2011

COTAL EMISSION	N ALLOWANCE			al Fuel)		Other Fuels)	<u> </u>	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
		ES IN INVENTOR	y, ALL C	LASSIFIC	ATIONS	<u> </u>					•
	128,034			3,574		0		500	T	123,960	
Dollars	S 1,907.75	\$ -	s	53.26	\$		\$	7.45	s	1,847.04	
		\$ -	\$	0.01			\$	0.01		0.01	
ALLOCATED ALI	LOWANCES FR	OM EPA: COAL	FUEL			-				101	
Quantity	126,194			3,513			1	500		122,181	Sale to KU (500)
Dollars	\$ 1,857.63	3 \$ -	\$	52.35	\$	, -	\$	7.45	\$	1,797.83	
ALLOCATED ALL Quantity Dollars	1,840 \$ 50.11	-	S FUELS	61 0.91	\$		\$		\$	1,779 49,21	
				·							
ALLOWANCES F	ROM PURCHA	SES:		,	<del></del>			<del></del>			
From Market:  Ouantity									1		
Quantity Dollars	\$ -	\$ -	s		\$		\$	-	\$		
\$/Allowance	\$ -	\$ -	\$		\$		1 <del>3</del>		\$	<del>_</del> _	
N. CTIONATIOE	<u> </u>	<u> </u>	L.	<del>-</del>	( ψ		1.0		Ι.Ψ.		
			<del></del>		T		Т —		T		
rom KII							+		1	-	
		<del></del>									
From KU Quantity Dollars		\$ -	\$		\$		\$	, <u></u>	\$	<u> </u>	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of October 2011

	Beginning Inventory		cations/ chases		ilized I Fuel)		llized r Fuels)	¢	old		Ending ventory	A.	llocation, Purchase, or Date & Vintage Yea	r ere
<del></del>	nivelitory		CHASCS	(000	u i uci)	L (Onte	i rucis)		UIG	771	VCHIOTY	540	Daic & Village Tea	43
COTAL EMISSI	ON ALLOWANC	ec in int	TENTODY	ATTC	r a sstetc	CATTONS								
Quantity	1,08		0	111111111111111111111111111111111111111	0		0		0		1,087		· · · · · · · · · · · · · · · · · · ·	
Dollars	\$ 865.1			\$		\$		\$		\$	865.13			
\$/Allowance		0 \$	-	\$		\$		\$		\$	0,80			
DI LIOWALIOC	Ι Φ	0   0			<del></del>	1.**		Ψ			0,00	••••••••••••••••••••••••••••••••••••••		
ALLOCATED A	LLOWANCES F	ROM EPA	: COAL F	UEL										
Quantity	98		-		-	1	<b>H</b>		-		980			
Dollars	\$ 864.8	3 \$	-	\$	-	\$	-	\$	-	\$	864.83		· · · ·	
		T			•									
	LLOWANCES F			FUELS			_			I	107			
Quantity	1(		OTHER	FUELS \$		S	- -	\$	-	\$	107 0.30			
Quantity Dollars	\$ 0.3	7 0 \$	-			\$		\$		\$				
Quantity Dollars ALLOWANCES	1(	7 0 \$	-			\$		\$		\$				
Quantity Dollars  ALLOWANCES From Market:	\$ 0.3	7 0 \$	-	\$			-	\$						
Quantity Dollars	\$ 0.3	7   0   \$	-	\$	-		-	\$	-		0.30			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 0.3	7   0   \$	0	\$	0		. 0		0		0.30			
Quantity Dollars  ALLOWANCES From Market: Quantity	10 \$ 0.3 FROM PURCE.	7   0   \$	0	\$	0	\$	. 0	\$	0	\$	0.30			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	10 \$ 0.3 FROM PURCE.	7   0   \$	0	\$	0	\$	. 0	\$	0	\$	0.30			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU: Quantity	10 \$ 0.3 FROM PURCE.	7   0   \$	0	\$ \$	0	\$ \$	. 0	\$	0	\$	0.30			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	10 \$ 0.3 FROM PURCE.	7   0   \$	0	\$ \$	0	\$ \$	0	\$	0	\$	0.30			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2011

	Beginning Inventory		Ilocations/ Purchases	(	Utilized Coal Fuel)	Utilized (Other Fuels)	١	S	old		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	1	<u> </u>		<u> </u>						<u> </u>		Suco Survey Continues 1 sees
TOTAL EMISSI	ON ALLOWANCE	SINI	NVENTORY	ALI	CLASSIFIC	ATIONS						
Quantity	2,460		500	ĺ	1,125		0		0		1,835	
Dollars	\$ -	\$	38,750.00		14,348.00		-	\$		\$	24,402.00	
\$/Allowance	\$ -	\$	77.50	\$	12.75	\$	-	\$		\$	13.30	
	LLOWANCES FR		PA: COAL F	UEL_								
Quantity	2,357		H		1,125							Ending Inventory includes purchase from Market as shown
Dollars	<u> </u>	\$		\$	14,348.00	\$	<del>-</del>	\$		\$	24,402.00	below.
		1						<u> </u>				
	LLOWANCES FR		PA: OTHER	FUEI		,			_	<del></del>		
Quantity	103		PA: OTHER -		.s -						103	
ALLOCATED A Quantity Dollars				FUEI \$		\$	-	\$		\$	103	
Quantity	103		•			\$		\$		\$		
Quantity Dollars	\$ -	\$	•			S		\$		\$		
Quantity Dollars ALLOWANCES	103	\$	•			S		\$	-	\$		
Quantity Dollars  ALLOWANCES From Market:	\$ -	SES:	-		-	s	-	\$			-	No. 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1 to 200 and 1
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ -	SES:	500	\$			- 0				500	Purchased 500 2011 vintage NOx allowances from
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S FROM PURCHA	SES:	500 38,750.00	\$	0	S	0	\$		\$	500 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ -	SES:	500	\$	-		- 0				500	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	S FROM PURCHA	SES:	500 38,750.00	\$	0	S	0	\$		\$	500 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	FROM PURCHAL  S FROM PURCHAL  (S - S - S -	SES:	500 38,750.00 77.50	\$ \$	0	S	0	\$ \$	0	\$   \$	500 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURCHA	SES:	500 38,750.00 77.50	\$ \$	0	S	0	\$ \$		\$   \$	500 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	FROM PURCHAL  S FROM PURCHAL  (S - S - S -	SES:	500 38,750.00 77.50	\$ \$	0	S	0	\$ \$	0	\$   \$	500 38,750.00	the market - included in Ending Inventory-Coal Fuel

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	121,474
10th Previous Month		175,687
9th Previous Month		100,889
8th Previous Month		160,038
7th Previous Month		150,155
6th Previous Month		102,021
5th Previous Month		148,079
4th Previous Month		106,254
3rd Previous Month		170,289
2nd Previous Month		270,125
Previous Month		174,545
Current Month		61,568
Total 12 Month O&M	\$	1,741,124

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$		1,741,124							
One Eighth (1/8) of 12 Month O&M Expenses		1/8								
Pollution Control Cash Working Capital Allowance	\$		217,641							

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: October 31, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan		•		
506154 - ECR NOx Operation — Consumables				
506155 - ECR NOx Operation — Labor and Other		-		
512151 - ECR NOx Maintenance				-
Total 2001 Plan O&M Expenses			-	-
2005 Plan			-	
502056-ECR Scrubber Operations			(36,302.90)	(36,302.90)
512055-ECR Scrubber Maintenance		<u> </u>	-	
Ashpond Dredging Expense		<del>-</del>		<del>-</del>
Total 2005 Plan O&M Expenses		-	(36,302.90)	(36,302.90)
2006 Plan				
506159 - ECR Sorbent Injection Operation	<u></u>		16,765.31	16,765.31
506152 - ECR Sorbent Reactant - Reagent Only			(3,269,33)	(3,269.33
512152 - ECR Sorbent Injection Maintenance			1,427.52	1,427.52
506150 - ECR Mercury Monitors Operation	-		981.31	981.31
512153 - ECR Mercury Monitors Maintenance		-	720.00	720.00
502056 - ECR Scrubber Operations			22,169.19	22,169.19
512055 - ECR Scrubber Maintenance			6,953.42	6,953.42
506154 - ECR NOx Operation — Consumables			22,612.17	22,612.17
506155 - ECR NOx Operation — Labor and Other			571.56	571.56
512151 - ECR NOx Maintenance			480,33	480,33
506051 - ECR Precipitator Operation			870,13	870,13
506151 - ECR Activated Carbon			26,392.00	26,392.00
512051 - ECR Precipitator Maintenance			1,197.64	1,197.64
Total 2006 Plan O&M Expenses	S -	-	97,871.25	97,871.25
2009 Plan				
502012 - ECR Landfill Operations			-	<u> </u>
512105 - ECR Landfill Maintenance	-		-	<del>-</del>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			<u> </u>	<del>-</del>
Net 2009 Plan O&M Expenses			-	-
Company Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Control Contro	1 0		71.500.05	
Current Month O&M Expense for All Plans	-	<u> </u>	61,568.35	61,568.35

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		<u> </u>
(1) 12 Months Ending with Expense Month	\$ -	- \$ -
(2) Monthly Amount [(1) / 12]	\$ .	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)		1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: October 31, 2011

Third Party	O&M Expense Account	Plant	Total C	)&M
Total Monthly Bene	ficial Reuse Expense		\$	
Total Monthly Bone	Holdi Redde Expolice			-
Adjustment for Bene	ficial Reuse in Base Rates (from ES Form	2.61)	\$	-
Net Beneficial Reuse	O&M Expense		\$	-

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2011

On-Site CCP Disposal O&M Expense	Ca	ne Run	•	Mill Creek	Trir	nble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project	7		1				
(1) 12 Months Ending with Expense Month	· s		\$		\$	-	,
(2) Monthly Amount [(1) / 12]	\$		\$		\$	-	
2009 Plan Project 25			· ·				
(3) Monthly Amount (Expense/Revenue)	\$		\$		\$	-	
Total Beneficial Reuse - Generating Station				· · · · · · · · · · · · · · · · · · ·			
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	. \$	-	
Beneficial Reuse in Base Rates					- <del> </del>		
(5) Annual Expense Amount (12 Mo Ending with Last Test	Year) \$	**	\$		. \$	-	
(6) Monthly Expense Amount [(5) / 12]	\$		\$		- \$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	_	\$		- \$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$		- \$	-	· · · · · · · · · · · · · · · · · · ·
If Line (8) Greater than Zero, No Adjustment			<del> </del>				
If Line (8) Less than Zero, Adjustment for Base Rates							•
djustment for Base Rate Amount (to ES Form 2.60)	1 \$		1\$		- 18	<u> </u>	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: October 31, 2011

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
37 10	F0.140.014	2 604 606	700 000 1		(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-I1	63,590,360	2,158,942	1,409,347	819,108	67,977, <b>7</b> 57	67,158,649	13,880,982	81,858,739	81,039,63
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,91
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,97
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,74
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,85
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,20
Sep-11	83,107,600	2,677,626	1,499,239	165,369	87,449,834	87,284,465	12,412,938	99,862,772	99,697,40
Oct-11	64,191,015	1,950,880	958,522	127,590	_67,228,008	67,100,418	14,051,649	81,279,657	81,152,06
for 12 Months Ending	g Current Expense Mont		·	·		\$ 75,853,157			
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				82.68%
						:	Note 1 - Excludes Tot	: Brokered Sales, tal for Current Month =	\$ (82,856.6

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2011

		Revenues per	R	levenues per
		Form 3.00	Inc	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	64,191,015	\$	64,191,015
Fuel Adjustment Clause	\$_	1,950,880	\$	1,950,880
DSM	\$	958,522	\$	958,522
Environmental Surcharge			\$	127,590
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$_	67,100,417		
Non -Jurisdictional Revenues				
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	14,051,649	\$	14,051,649
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	14,051,649		
Total Company Revenues for Environmental Surcharge Purposes =	\$	81,152,066		
Reconciling Revenues				
Brokered	\$	(82,857)	\$	(82,857)
InterSystem (Transmission Portion Booked in Account 447)			\$	-
Unbilled			\$	(3,225,989)
Miscellaneous	<u> </u>		\$	1,361,651
Total Company Revenues per Income Statement =			\$	79,332,461



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

DEC 2 0 2011

PUBLIC SERVICE COMMISSION

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@|ge-ku.com

December 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after December 30, 2011.

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in November 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

**INVOICE DATE:** 

11/1/2011

**INVOICE #:** 

20111004

**INVOICE PERIOD:** 

10/1/2011 - 10/31/2011 ·

PROJECT NAME:

Kentucky LGE Environmental Compliance

ITAGE PROJECT #:

2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard

Frankfort, Kentucky 40602

PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu	October October October		\$240	\$8,320.00 \$2,400.00 \$5,280.00		\$8,320.00 \$2,400.00 \$5,280.00	
Mark Fowler	October	. 0	\$240	\$0.00		\$0.00	
SUB TOTALS		64		\$16,000.00	\$0.00	\$16,000.00	·
TOTAL FEES			•	•			\$16,000.00

TOTAL PERSONAL EXPENSES

**OVERNIGHT MAIL** 

COPYING - Black/White

**COPYING - Color** 

**MISCELLANEOUS** 

Invoice Amount

\$16,0	00.00
	\$0.00

\$0.00

\$0.00 \$0.00

\$16,000,00

\$16.000.00

#### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of November 2011

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates -- ES Form 1.10, line 14

\$ 286,636

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16

0.38%

Effective Date for Billing: January billing cycle beginning December 30, 2011

Submitted by:

Title: Director, Rates

Date Submitted: December 20, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Jurisdictional Surcharge Billing Factor

For the Expense Month of November 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (I)]	ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

				Environmental Comp	oliance Plans
(1) (2) (3) (4) (5) (6)	RB / 12 (ROR + (ROR - DR) (TR / OE BAS	(1 - TR)))	= = = = = = = = = = = = = = = = = = = =	\$	72,720,796 6,060,066 11.31% 350,770
(7)		(2) x (3) + (4) - (5) + (6)	=	\$	1,036,164

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	81.95%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	849,136
(10)	Adjustment for (Over)/Under-collection pursuant to	=	· <u>-</u>
(11)	Prior Period Adjustment (if necessary)	<b>200</b>	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	849,136
(13)	Revenue Collected through Base Rates	= \$	562,500
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	286,636
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	75,789,762
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.38%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of November 2011

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Pl						
Eligible Pollution Control Plant	\$ 64,865,222						
Eligible Pollution CWIP Excluding AFUDC	14,568,873						
Subtotal		\$	79,434,095				
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	27,348						
Cash Working Capital Allowance	215,491						
Deferred Debit Balance Mill Creek Ash Dredging	-						
Subtotal			242,839				
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant	3,888,775						
Pollution Control Deferred Income Taxes	3,067,363						
Subtotal			6,956,138				
Environmental Compliance Rate Base		\$	72,720,796				

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 104,274
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	32,919
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	7,520
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 350,770

**Determination of Beneficial Reuse Operating Expenses** 

	Environ Complian	
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds		1	ount in e Rates	Net Proceeds
		(1)		(2)	(1) - (2)
Allowance Sales	\$	•	\$	-	\$ -
Scrubber By-Products Sales		-		-	-
Total Proceeds from Sales	\$	-	\$		\$ -

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2011	Monthly ITC Amortization Credit	Dep	Ionthly preciation xpense	Prop	onthly erty Tax spense
								(2)-(3)+(4)							
<b>2001 Plan:</b> Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Subtotal	\$	-	\$	-	\$	-	\$	-	\$			\$		\$	-
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Net Total - 2001 Plan:	\$	<b>-</b>	\$		\$	-	\$		\$			\$	-	\$	
2003 Plan:															
Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants	\$	-	\$	-	\$	-	\$	-	\$ \$	-		\$ \$	-	\$ \$	-
Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$	-	S S	-	\$	-	\$		\$	-		\$	-	\$	-
Project 10 - SO ₂ Absorber Trays - Will Creek 3 & 4	3	_	3		3		,	-	à			3	-	\$	_
Subtotal Less Retirements and Replacement resulting	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
from implementation of 2003 Plan	s	-	\$	-	\$	-	\$	, -	\$	-		\$	٠.	\$	-
Net Total - 2003 Plan:	\$		\$	-	\$		\$		\$			\$		\$	
2005 Plan:					١										
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,818,430		464,548		2,669		4,356,551		575,413		\$	10,067		44
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	4,730,568		413,331		743,775		5,061,012		341,489		\$	8,397		62
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$	850,100		120,368		-	\$	729,732		105,655		\$	2,564	\$	9
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507		57,415		-	\$	251,093	1	20,146		\$	1,147	\$	3
Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7 261 077	\$	1 407 920	\$	-	\$	- - 962 259	\$	1 267 045		\$	22.200	\$	-
Froject 10 - Scrubber Improvements at Anmole County Unit 1	3	7,361,077	1	1,497,820	1	-	13	5,863,258	7	1,267,045		\$	22,206	3	7,6
Subtotal	\$	18,068,683	\$	2,553,481	\$	746,444	\$	16,261,646	\$	2,309,748		\$	44,380	\$	1,96
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332	\$	-	\$	(1,551,534)	\$	(384,695		\$	(5,253	\$	(19
Net Total - 2005 Plan:	S	15,547,817	10	1,584,150	10	746,444	10	14,710,112	1 6	1,925,053	<del> </del>	18	39,127	1 0	1,76

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2011	ITC	Monthly C Amortization Credit	D	Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151		356,834	\$	493,185 446,428 - -		42,329,711 3,529,671 1,777,247 315,765	\$	658,789 338,697 65,185 79,639	\$	14,527	\$ \$ \$	8,867	\$ \$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	49,317,405	\$	2,304,625	\$	939,613	\$	47,952,393 -	\$	1,142,310	\$	14,527	\$	172,558 -	s s	6,144
Net Total - 2006 Plan:	\$	49,317,405	\$	2,304,625	\$	939,613	\$	47,952,393	\$	1,142,310	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	- - - -	\$ \$ \$	- - - -	\$ \$	1,315,872 8,567,982 2,345,866 653,095	\$ \$	1,315,872 8,567,982 2,345,866 653,095	\$				\$ \$ \$	- - -	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	12,882,815	\$	12,882,815 -	s s	-			\$		\$	989
Net Total - 2009 Plan:	\$		\$		\$	12,882,815	\$	12,882,815	\$	-	十		\$	-	\$	989
			T				Ť		Ť		T		T		Ť	
Net Total - All Plans:	\$	64,865,222	\$	3,888,775	\$	14,568,873	\$	75,545,320	\$	3,067,363	\$	14,527	\$	211,685	\$	8,899

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Inventory of Emission Allowances** 

For the Month Ended: November 30, 2011

Vintage Year	Num	ber of Allowan	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
3	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
	ŀ	Annual	Ozone Season		Annual	Ozone Season	
Current Year	117,896	996	1,087	\$ 1,756.68	\$ 26,482.87	\$ 865.13	
2012	62,379						
2013	62,379						
2014	62,379						
2015	62,379						g '
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379		<u> </u>				
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of November 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or			
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years			
TOTAL EMISSIO	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS						
Quantity	123,960	0	6,064	0	0	117,896				
Dollars	\$ 1,847.04	\$ -	\$ 90.36	\$	\$ -	\$ 1,756.68				
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$	\$ 0.01				
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL										
Quantity	122,181	-	5,996		-	116,185				
Dollars	\$ 1,797.83	\$ -	\$ 89.34	\$ -	-	\$ 1,708.49				
		<u> </u>	l	L	L	L				
Quantity Dollars	1,779 \$ 49.21	M EPA: OTHER \$ -	### 68   \$ 1.02	\$ -	\$ -	1,711 \$ 48.19				
	FROM PURCHAS	ES:								
From Market:		ļ	<del> </del>		<u> </u>					
Quantity	-	-	<del> </del>	-	<del>-</del>	-				
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -				
\$/Allowance	\$ -	-	-		-	\$ -				
From KU	<del></del>	T	T		T	T	T			
Quantity	<del> </del>	<del> </del>	<del> </del>		<del> </del>	<u> </u>	<del> </del>			
Dollars	\$ -	18	-	\$ -	† <del>\$</del> -	\$ -				
\$/Allowance	1 5 -	1 -	\$ -	\$ -	\$ -	\$ -	<del> </del>			
\$71 MIO TIGHTOO	<u> </u>	1.7		1*	<u> </u>	.1.*	<u></u>			
L										

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of November 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,087	0	0	. 0	0	1,087	
Dollars	\$ 865.13		\$ -		\$ -	\$ 865.13	
\$/Allowance	\$ 0.80	\$	\$ -	\$ -	-	\$ 0.80	
							•
	LLOWANCES FR	OM EPA: COAL F	UEL	· • · · · · · · · · · · · · · · · · · ·			
Quantity	980	-	<u> </u>	<u> </u>	-	980	
Dollars	\$ 864.83		- \$	\$ -	\$ -	\$ 864.83	
<u>.                                    </u>	<u> </u>	1	<u> </u>	1			
	LLOWANCES FR		FUELS	<del></del>		<b></b>	
Quantity	107		<u> </u>	-	<u> </u>	107	
Dollars	\$ 0.30		\$	-		\$ 0.30	
	<u> </u>	<u> </u>	<u> </u>	L		<u> </u>	
	S FROM PURCHA	SES:	<del></del>		<del></del>		<del></del>
From Market:					<del></del>		<u> </u>
Quantity							
Dollars	\$ -	\$ -	-			-	
\$/Allowance	\$ -			-			<u> </u>
77.1				<del></del>			
From KU:							
Quantity		<u> </u>		) (			
Dollars	\$ -	\$ -	\$ -	<u> </u>		\$ -	
\$/Allowance	\$ -	\$ -	\$ -				<u> </u>
İ					•		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2011

	Beginning Allocations/		locations/	Utilized Utilized					Ending		Allocation, Purchase, or			
	In	ventory	P	urchases	(	Coal Fuel)		(Other Fuels)		Sold			Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALL	OWANCES	IN I	NVENTORY,	ALI	L CLASSIFIC	ATIC	ONS						
Quantity		1,835		500		1,337		2			0		996	
Dollars	\$	24,402.00	\$	35,000.00	\$	32,919.13	\$	-	\$	-		\$	26,482.87	
\$/Allowance	\$	13.30	\$	70.00	\$	24.62	\$	-	\$	_	T	\$	26.59	
		· ·												
ALLOCATED AL	LOWA	NCES FRO	M EI	A: COAL F	UEL									
Quantity		1,732		-		1,337		-		-				Ending Inventory includes purchase from Market as shown
Dollars	\$	24,402.00	\$	-	\$	32,919.13	\$	-	\$	_		\$	26,482.87	below.
ALLOCATED AI	LOWA	NCES FRO	M EI	PA: OTHER	FUE	LS								
Quantity		103		-		-		2					101	
Dollars	\$	-	\$	-	\$	-	\$	<u> </u>	\$	-		\$	-	
							T							
ALLOWANCES	FROM	PURCHAS	ES:											
From Market:							T							·
Quantity		0		500		0	T	0			0		500	Purchased 500 2011 vintage NOx allowances from
Dollars	\$		\$	35,000.00		-	\$	-	\$	-		\$	35,000.00	the market - included in Ending Inventory-Coal Fuel
\$/Allowance	\$		\$	70.00	\$	-	\$	-	\$	-		\$	70.00	as shown above.
From KU:				-										
Quantity		0		0		0		0			0			
Dollars	\$	_	\$	_	\$	_	\$	-	\$	-				
\$/Allowance	\$		\$		\$		\$	-	\$	_				
1														

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2011

Environmental Co	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	175,687
10th Previous Month		100,889
9th Previous Month		160,038
8th Previous Month		150,155
7th Previous Month		102,021
6th Previous Month		148,079
5th Previous Month		106,254
4th Previous Month		170,289
3rd Previous Month		270,125
2nd Previous Month		174,545
Previous Month		61,568
Current Month		104,274
Total 12 Month O&M	\$	1,723,924

Determination of Working Cap	ital Allowa	nce	
12 Months O&M Expenses	\$		1,723,924
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		215,491

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: November 30, 2011

0.000		)		
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables				
506155 - ECR NOx Operation Labor and Other		<u> </u>		
512151 - ECR NOx Maintenance				
Total 2001 Plan O&M Expenses		-	-	_
				******
2005 Plan				
502056-ECR Scrubber Operations			(37,080.26)	(37,080.26)
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense				
Total 2005 Plan O&M Expenses		-	(37,080.26)	(37,080.26)
2006 Plan		·		
506159 - ECR Sorbent Injection Operation			10,765.16	10,765.16
506152 - ECR Sorbent Reactant - Reagent Only		-	22,988.27	22,988.27
512152 - ECR Sorbent Injection Maintenance			2,585.66	2,585.66
506150 - ECR Mercury Monitors Operation	<del>-</del>		2,297.38	2,297.38
512153 - ECR Mercury Monitors Maintenance	-		10 405 50	10 105 50
502056 - ECR Scrubber Operations	_		19,405.52	19,405.52
512055 - ECR Scrubber Maintenance			13,351.12	13,351.12
506154 - ECR NOx Operation Consumables	_		26,186.95	26,186.95
506155 - ECR NOx Operation Labor and Other 512151 - ECR NOx Maintenance			645.25	645.25
	_		1,017.42	1,017.42
506051 - ECR Precipitator Operation 506151 - ECR Activated Carbon			846.37 40.309.69	846.37
512051 - ECR Activated Carbon 512051 - ECR Precipitator Maintenance	_		955.54	40,309.69 955.54
Total 2006 Plan O&M Expenses	\$ -		141,354,33	141,354.33
Total 2000 Tall Occivi Expolises		<del></del>	141,554.55	141,554.55
2009 Plan				
502012 - ECR Landfill Operations			- 1	
512105 - ECR Landfill Maintenance			-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	<del>-</del>		_	
Net 2009 Plan O&M Expenses	_			
Current Month O&M Expense for All Plans	-	-	104,274.07	104,274.07

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		· ·
(4)   Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$
(6) Monthly Expense Amount [(5) / 12]	\$ .	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	T\$ .	- \(\s\)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: November 30, 2011

Third Party	O&M Expense Account	Plant	Total O&M
	4		
<u> </u>			
Total Monthly Ben	eficial Reuse Expense		-
	neficial Reuse in Base Rates (from ES Form 2.6	51)	\$ -
Net Beneficial Reu	se O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2011

On-Site CC	P Disposal O&M Expense	Can	e Run		Mill Creek		Trimble C	ounty	Total
Existing Beneficial Reuse Opport	unities (Pre 2009 Plan Project)			<u> </u>					
(1) 12 Months Ending with Ex		\$	-	\$		-	\$		
(2) Monthly Amount [(1) / 12]		\$	-	\$			\$		
2009 Plan Project 25									
(3) Monthly Amount (Expense	/Revenue)	\$	-	\$			\$		
Total Beneficial Reuse - Generati	ng Station								
(4)   Monthly Expense [(2) + (3)]		\$		\$		-	\$	-	
Beneficial Reuse in Base Rates				1					
(5) Annual Expense Amount (	12 Mo Ending with Last Test Year)	\$	-	\$		-	\$	-	
(6) Monthly Expense Amount		\$	-	\$			\$	-	
(7) Total Generating Station Less Ba	se Rates [(4) - (6)]	\$		\$	<u> </u>		\$		
(8) Less 2009 Plan Project 25		\$		\$			\$	-	
If Line (8) Greater than Ze	ero, No Adjustment			+			<del> </del>		
	Adjustment for Base Rates								
Adjustment for Base Rate Amount (to I	FS Form 2.60)	<u> </u>		18			T &		1 \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2011

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compar	ny Revenues																									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)																									
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)																									
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03																									
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49																									
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63																									
Mar-11	64,963,148	676,641	1,295,997	742,383	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48																								
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,91																									
May-11	62,768,571	1,969,596	851,874													1,206,179				66,256,422	65,590,042	9,952,934	76,209,356	75,542,97										
Jun-11	79,699,769	4,437,519	1,415,042																	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179	1,206,179
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,8:																									
Aug-11	99,019,080	4,591,621	1,891,554	272,788 165,369			165,369	165,369	165,369			272,788	272,788	272,788	272,788	272,788	272,788	272,788								105,775,043	105,502,255	7,222,945	112,997,988	112,725,2				
Sep-11	83,107,600	2,677,626	1,499,239									87,449,834	87,284,465	12,412,938	99,862,772	99,697,40																		
Oct-11	64,191,015	1,950,880	958,522	127,590	67,228,008	67,100,418	14,051,649	81,279,657	81,152,0																									
Nov-11	57,345,726	2,340,079	126,855	868,435	60,681,094	59,812,659	13,174,028	73,855,122	72,986,6																									
for 12 Months Endin	ng Current Expense Mon					\$ 75,789,762																												
		rent Month (Environment evenues Divided by Exp			1 (7) / Column (10) =				81.95%																									
				1				es Brokered Sales, otal for Current Month =	\$ (121,507.2																									

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: November 30, 2011

· .	Revenues per	R	evenues per
	Form 3.00	Inco	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 57,345,726	\$	57,345,726
Fuel Adjustment Clause	\$ 2,340,079	\$	2,340,079
DSM	\$ 126,855	\$	126,855
Environmental Surcharge		\$	868,435
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 59,812,659		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 13,174,028	\$	13,174,028
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,174,028		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 72,986,687		
Reconciling Revenues			
Brokered	\$ (121,507)	\$_	(121,507)
InterSystem (Transmission Portion Booked in Account 447)		\$ .	
Unbilled		\$	4,859,516
Miscellaneous		\$	1,197,467
Total Company Revenues per Income Statement =		\$_	.79,790,597



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

JAN 20 2012 PUBLIC SERVICE

COMMISSION

January 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after January 31, 2012.

Included with this filing are the projects approved in the 2011 ECR Plan in accordance with the Commission's December 15, 2011 Order in Case No. 2011-00162. Additionally, LG&E revised the ES Forms as approved by the Commission in its Order in the above-cited case. The changes to the allocation of the monthly revenue requirement will be implemented with the January 2012 expense month pending issuance of the Commission's Final Order in Case No. 2011-00232.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2011.

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

Mr. Jeff DeRouen January 20, 2012

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Page 365 of 485

Conroy

RECEIVED

DEC 07 2011

PUBLIC SERVICE COMMISSION

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

12/1/2011

INVOICE #:

20111105

INVOICE PERIOD: PROJECT NAME: 11/1/2011-11/30/2011 Kentucky LGE Environmental Compliance

ITAGE PROJECT#:

2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard

Frankfort, Kentucky 40602

FINANCIAL ANA

DEC 04 SOM

PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	November November November November		<b>** \$240</b>	\$9,600 00		\$15,315.63 \$9,600.00 \$5,760.00 \$0.00	
SUB TOTALS		114		\$28,360.00	\$2,315.63	\$30,675.63	
TOTAL FEES							\$28,360.00

TOTAL PERSONAL EXPENSES

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS

Invoice Amount

\$28,360.00 \$2,315.63

\$0.00

\$0.00 \$0.00

\$30,675.63

TOTAL MONTHLY INVOICE AMOUNT

\$30,675,63

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy.

Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of December 2011

GROUP 1 (Total Revenue)		
Net Group $E(m) = Group E(m)$ less Expense Month Revenue		
Collected Through Base Rates ES Form 1.10, line 18	=	\$ 326,019
Group 1 ES Billing Factor ES Form 1.10, line 20	=	0.43%
GROUP 2 (Net Revenue)  Net Group E(m) = Group E(m) less Expense Month Revenue  Collected Through Base Rates ES Form 1.10, line 18	=	\$ -
Group 2 ES Billing Factor ES Form 1.10, line 20	•	0.00%

Effective Date for Billing: February billing cycle beginning January 31, 2012

Title: Director, Rates

Submitted by:

Date Submitted: January 20, 2012

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of December 2011

### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Pr	e-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB		=	\$	74,552,944	\$ 1,090,517
2) RB/12		=	\$	6,212,745	\$ 90,876
3) (ROR + (ROR - DR) (TR / (1 - TR)))		=		11.31%	10.84%
4) OE		=	\$	374,820	\$ 66,958
5) BAS		=	\$	•	Not Applicable
6) BR		=	\$	•	Not Applicable
7) E(m) (2) x (3) + (4	) - (5) + (6)	=	\$	1,077,481	\$ 76,809
8) Total E(m) = sum of Pre-2011 E(m) + 2	011 E(m)		\$.	1,154,290	

Calculation of Adjusted Total Jurisdictional E(m)

ĺ			i	
(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	81.15%	
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=	\$ 936,706	
(11)	Prior Period Adjustment related to Rate Base or OE (if necessary)	=	\$ -	
(12)	Adjusted Total Jurisdictional E(m) [(10) + (11)]	=	936,706	

Calculation of Group Environmental Surcharge Billing Factors

	Sayi Sameatat Suream ge Samag Yactors		-	GROUP 1 (Total Revenue)	_	GROUP 2 (Net Revenue)
(13)	Revenue as a Percentage of Total Revenue for Current Month ES Form 3.00	=		100%		0%
(14)	Group E(m) [(12) x (13)]	=	\$	936,706	\$	•
(15)	Adjustment for (Over)/Under-collection pursuant to Case No.	=	\$	•	\$	•
(16)	Prior Period Adjustment related to Revenue (if necessary)	=	\$	-	\$	·
(17)	Revenue Collected through Base Rates	=	\$	610,687	\$	-
(18)	Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates $[(14) + (15) + (16) - (17)]$	=	\$	326,019	\$	-
(19)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	75,619,349	\$	•
(20)	Group Environmental Surcharge Billing Factors [(18) ÷ (19)]	=		0.43%		0.00%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

Determination of Environmental Comphanic Nate Base									
	Pre	-2011 Envirome	ntal C	Compliance Plans	2011 Enviromental Compliance Pla				
Eligible Pollution Control Plant	\$	74,459,569			\$				
Eligible Pollution CWIP Excluding AFUDC		7,351,685				1,083,949			
Subtotal			\$	81,811,254			\$	1,083,949	
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		865							
Cash Working Capital Allowance		209,839				6,568			
Subtotal				210,704				6,568	
Deductions:									
Accumulated Depreciation on Eligible Pollution Control Plant		4,115,932				-			
Pollution Control Deferred Income Taxes		3,353,082				-			
Subtotal				7,469,014				-	
Environmental Compliance Rate Base			\$	74,552,944			\$	1,090,517	

**Determination of Pollution Control Operating Expenses** 

Section Minimum of Advances Country of Persons		<del></del>
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	
Monthly Surcharge Consulting Fees		14,418
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	onmental
	Compli	iance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

		tal eeds	ount in e Rates	F	Net Proceeds
	(1)		(2)		(1) - (2)
Allowance Sales	\$	-	\$ -	\$	-
Scrubber By-Products Sales		-	-		-
Total Proceeds from Sales	\$	-	\$ -	\$	-

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)	_	(7)		(8)		(9)
Description .		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2011	ITO	Monthly C Amortization Credit	I	Monthly Depreciation Expense	P	Monthly Property Tax Expense
			┢					(2)-(3)+(4)	<del>                                     </del>							
			T		_		_		_							
2005 Plan:	1		}		1											
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,818,430	\$	474,615	\$	2,669	\$	4,346,484	\$	632,968			\$	10,067	\$	448
Project 12 - Special Waste Landfill Expansion at Cane Run Station	s	4,730,568	\$	421,728	\$	860,897	\$	5,169,738	\$	347,206			\$		\$	622
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	<b>S</b>	850,100	\$	122,932	\$		\$		s	107,657			\$		\$	95
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s	308,507	\$	58,561	s	_	s	249,946	s	20,276			s		\$	33
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s	- 1	s		s	_	\$		s	,			\$	-,	\$	- 1
Project 16 - Scrubber Improvements at Trimble County Unit 1	s	7,361,077	\$	1,520,026	s	_	s	5,841,052	\$	1,283,684			s	22,206	\$	763
	1	1,0-1,111		1,-2-,-2	١		-	5,511,552	"	1,202,001			*	22,200	_	,05
Subtotal	S	18,068,683	S	2,597,862	s	863,567	\$	16,334,388	18	2,391,792			\$	44,380	\$	1,961
Less Retirements and Replacement resulting	"	10,000,000	1	2,571,002		005,507	١	10,551,500	"	2,57 1,172			١	11,500	٦	1,501
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)		-	\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	S	15,547,817	S	1,628,530	Ŝ	863,567	S	14,782,854	\$	2,007,097			\$	39,127	\$	1,767
			<u> </u>		Ť		Ť		Ť							
2006 Plan:			1		l		1		1				ĺ			
Project 18 - TC2 AQCS Equipment	s	43,429,831	8	1,745,858	\$	736,701	8	42,420,674	18	716,195	s	14,527	s	152,553	ß	5,414
Project 19 - Sorbent Injection	s	3,440,076		366,611		-	\$	3,073,466		347,230	1	,	s	9,777	s	454
Project 20 - Mercury Monitors	s	2,050,346		281,967	\$		\$	1,768,380		66,545			\$	8,867	\$	234
Project 21 - Mill Creek Opacity and Particulate Monitors	s	397,151		82,747		_	S	314,404		80,034			s		s	41
Troject 21 14111 Creek Opacity and randulate Hamilton	"	357,131	"	02,141	"		"	317,707	"	00,054	Ì		"	1,501	١	71
Subtotal	S	49,317,405	10	2,477,183	10	736,701	10	47,576,923	10	1,210,003	8	14,527	10	172,558	\$	6,144
Less Retirements and Replacement resulting	"	45,517,405	"	2,477,105	"	750,701	"	41,510,525	"	1,210,003	"	14,527	"	112,550	Ψ.	0,144
from implementation of 2006 Plan	s	_	\$	_	\$		\$		\$		\$		s		\$	_
Tom implementation of 2000 Film	١		"	_	"	_	"	_	"	_	"	_	"	_	"	_
Net Total - 2006 Plan:	\$	49,317,405	\$	2,477,183	\$	736,701	\$	47,576,923	\$	1,210,003	\$	14,527	\$	172,558	\$	6,144
			T		Т		T		Т		Ī					
2009 Plan:							1				1					
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	S	-	\$	-	\$	1,442,091	\$	1,442,091	\$	-	1		\$	-	\$	97
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,594,347	\$	10,219	\$		\$	9,584,128	\$	135,982	ł		\$	10,219	\$	707
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	· · ·	\$	· <del>-</del>	\$	3,203,930	\$	3,203,930	\$	-	1		\$	-	\$	151
Project 25 - Beneficial Reuse	\$	_ '	\$	-	\$	1,105,397		1,105,397					\$	_	\$	33
			1		1	, ,		, ,					1			
Subtotal	\$	9,594,347	18	10,219	\$	5,751,418	1.8	15,335,546	Ts	135,982	T		\$	10,219	\$	989
Less Retirements and Replacement resulting		2,02 1,041	1	. 0,217	1	2,.22,710	1	,0,000,040	"	122,702	1		"	. 0,217		,0,
from implementation of 2009 Plan	\$	_	\$	_	\$	-	\$	_	1 \$	-	1		\$	-	\$	-
			1		1		1		1		1		1		1	
Net Total - 2009 Plan:	\$	9,594,347	\$	10,219	\$	5,751,418	\$	15,335,546	\$	135,982			\$	10,219	\$	989
Subtotal - Pre-2011 Plans:	\$	74,459,569	\$	4,115,932	\$	7,351,685	\$	77,695,323	\$	3,353,082	\$	14,527	\$	221,904	\$	8,899
	T		1		T		T		Ť		T		T		T	

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2011

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 12/31/2011	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 1,077,936 \$ 6,013	, , ,			\$ - \$ -	\$ - \$ -	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	s - s -	\$ 1,083,949 \$ -	\$ 1,083,949 \$ -	\$ - \$ -		\$ - \$ -	\$ - \$ -	
Net Total - 2011 Plan:	-	\$ -	\$ 1,083,949	\$ 1,083,949	-	-	-	\$ -	
Net Total - All Plans:	\$ 74,459,569	\$ 4,115,932	\$ 8,435,634	\$ 78,779,272	\$ 3,353,082	\$ 14,527	\$ 221,904	\$ 8,899	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: December 31, 2011

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Value Of Vintag	ge Year	Comments and Explanations
1	SO ₂	, NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	110,505	-	1,087	\$ 1,646.54	\$ -	\$ 865.13	
2012	62,379						
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379	1184916					
2027	62,379						
· 2028	62,379						
2029 .	62,379						
2030	62,379		-				
2031 - 2040	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of December 2011

	Beginning	. Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
		S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	117,896	0	7,391	0	0		
Dollars	\$ 1,756.68		\$ 110.14		\$ -	\$ 1,646.54	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
111 OC 1 mmp 11	Y OYY I NOTE OF C		****				
	LOWANCES FRO	OM EPA: COAL F				100.040	
Quantity	116,185 \$ 1.708.49	-	7,337	Φ.	-	108,848	
Dollars	\$ 1,708.49	\$ -	\$ 109.32		\$ -	\$ 1,599.17	
		L	1	L	L	L	
ALLOCATED AL	LOWANCES FRO	M FPA OTHER	PITETS				
Quantity	1,711	-	54	-	_	1,657	
Dollars	\$ 48.19	1	\$ 0.82	\$ -	1	\$ 47.37	
Dollars	40.19	-	\$ 0.82	-		\$ 47.37	
	1	<u> </u>			L	·	L
ALLOWANCES	FROM PURCHAS	ES:					
From Market:	1	T	1				
Quantity	_	_	_	-	_	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	· · · · · · · · · · · · · · · · · · ·		•			*	
From KU							
Quantity	-	_	-	_	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<del></del>						<del></del>	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of December 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	ATIONS		•	
Quantity	1,087	0	0	0	0	1,087	
Dollars	\$ 865.13		\$ -	-	\$ -	\$ 865.13	
\$/Allowance	\$ 0.80	\$ -	\$ -	\$ -	-	\$ 0.80	
	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	980	_	-	-	-	980	·
Dollars	\$ 864.83	\$ -	\$ -	\$ -	\$ -	\$ 864.83	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	107		_	-	-	107	
Dollars	\$ 0.30	\$ -	\$ -	\$ -	\$ -	\$ 0.30	
· · · · · · · · · · · · · · · · · · ·							
ALLOWANCES	FROM PURCHAS	ES:					
ALLOWANCES From Market:	FROM PURCHAS	ES:				T	
From Market:	FROM PURCHAS	ES:	0	0	0	0	
From Market: Quantity Dollars			0 \$ -	0	0 \$ -	0	
From Market: Quantity Dollars	0	0					
From Market: Quantity Dollars	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	· ·
From Market: Quantity Dollars \$/Allowance From KU:	0	0 \$ -	\$ -	\$ -	\$ - \$ -	\$ -	
	0 \$ - \$ -	0 \$ -	\$ -	\$ -	\$ - \$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of December 2011

	Beginning Inventory		ations/ hases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory		Allocation, Purchase, or Sale Date & Vintage Years
			1				<u> </u>					
TOTAL EMISSI	ON ALLOWANCE	S IN INVI	ENTORY,	ALL CLASSIFIC	CATIO	NS						•
Quantity	996		450	1,446		0		0			0	
Dollars	\$ 26,482.87		1,588.83	\$ 28,071.70			\$		\$			
\$/Allowance	\$ 26.59	\$	3,53	\$ 19.41	\$	-	\$		\$			
ALLOCATED A	LLOWANCES FR	OM EPA:	COAL FI	JEL								
Quantity	895		52	1,446	T	-			Г		0 En	nding Inventory includes purchase from KU as shown
Dollars	\$ 26,482.87	\$	(911.17)				\$	-	\$			below; 98 inter-plant transfers; and (46) surrender true-up
												allowances.
	LLOWANCES FR	OM EPA:		FUELS								
			(101)		1		1		1		O A	llocations/Durchases includes (QQ) inter-plant transfers and
	\$ -	<u> </u>	(101)	<u>-</u>	s		S		\$			llocations/Purchases includes (98) inter-plant transfers and (3) surrender true-up allowances
Quantity Dollars	\$ -	\$	(101)	•	\$		\$		\$	<u>.</u>		llocations/Purchases includes (98) inter-plant transfers and (3) surrender true-up allowances.
Dollars  ALLOWANCES					\$		\$		\$	-		
Oollars  ALLOWANCES  From Market:	FROM PURCHAS	SES:	-	\$ -				-		-		(3) surrender true-up allowances.
Oollars  ALLOWANCES From Market: Quantity	FROM PURCHAS	SES:	0	\$ -		0		0			0 Br	
ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS	SES:	-	0 \$ -	\$		\$	0	\$	-	0 Br	(3) surrender true-up allowances.
ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS	SES:	0	\$ - 0 \$ -		0		0			0 Br	(3) surrender true-up allowances.
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS	SES:	0	0 \$ -	\$	0	\$	0	\$		0 Br	(3) surrender true-up allowances.
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS	SES:	0	0 \$ -	\$ \$	0	\$ \$	0	\$ \$		0 Bi	(3) surrender true-up allowances.
Dollars	FROM PURCHAS	SES:	0 2,500.00	\$ - 0 \$ - \$ -	\$ \$	0	\$ \$	0	\$ \$		0 Br	(3) surrender true-up allowances.  rokerage fee related to Nov11 allowance purchase.

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2011

En	vironmental Complian	ce Plan				
O&M Expenses	Pre-20	11 Plans Amount	2011 Plan Amount			
11th Previous Month	\$	100,889	\$	-		
10th Previous Month		160,038				
9th Previous Month		150,155				
8th Previous Month		102,021				
7th Previous Month		148,079				
6th Previous Month		106,254				
5th Previous Month		170,289				
4th Previous Month		270,125				
3rd Previous Month		174,545				
2nd Previous Month		61,568				
Previous Month		104,274				
Current Month		130,472		52,540		
Total 12 Month O&M	\$	1,678,709	\$	52,540		

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,678,709	\$		52,540			
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8				
Pollution Control Cash Working Capital Allowance	\$	209,839	\$		6,568			

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2011

	T			
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2005 Plan				
502056-ECR Scrubber Operations			33,300,30	33,300,30
- 512055-ECR Scrubber Maintenance			23,300.20	33,300.30
Total 2005 Plan O&M Expenses			33,300.30	33,300.30
2007 M				
2006 Plan 506159 - ECR Sorbent Injection Operation			987.40	987.40
506152 - ECR Sorbent Injection Operation  506152 - ECR Sorbent Reactant - Reagent Only			12,191.05	12.191.05
512152 - ECR Sorbent Injection Maintenance			43.16	43.16
506150 - ECR Mercury Monitors Operation	317.67	851.96	3,136,18	4,305,81
512153 - ECR Mercury Monitors Maintenance	317.07	851,70	5,150.16	4,303.61
502056 - ECR Scrubber Operations			18,376.36	18,376,36
512055 - ECR Scrubber Maintenance			8,573,27	8,573,27
506154 - ECR NOx Operation Consumables			21,328.60	21,328.60
506155 - ECR NOx Operation — Labor and Other			939.28	939.28
512151 - ECR NOx Maintenance			2,886,27	2,886,27
506051 - ECR Precipitator Operation			881.64	881.64
506151 - ECR Activated Carbon			25,944.69	25,944.69
512051 - ECR Precipitator Maintenance			713.71	713.71
Total 2006 Plan O&M Expenses	\$ 317.67	851.96	96,001.61	97,171,24
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance	-		_	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses	-			_
Subtotal - Pre-2011 Plans	317.67	851.96	129,301.91	130,471.54
2011 Plan				
502056 - ECR Scrubber Operations		-		-
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation		-	3,679.25	3,679.2
506152 - ECR Sorbent Reactant - Reagent Only		-	48,067,47	48,067,4
512152 - ECR Sorbent Injection Maintenance		-	793.13	793.1
506156 - ECR Baghouse Operations		-		
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	-	-
Adjustment for Base Rates Baseline Amounts		-		-
Total 2011 Plan O&M Expenses		_	52,539.85	52,539.8
County March O'SM Europea County Plans	10 212/21	061061	¢ 101 041 27 L #	102 011 2
Current Month O&M Expense for All Plans	\$ 317.67	\$ 851.96	\$ 181,841.76   \$	183,011.3

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2011

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		·
(1) 12 Months Ending with Expense Month		
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates	<del></del>	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2011

Third Party	O&M Expense Account	Plant	Total O&M
			· ·
Total Monthly Benefic	cial Reuse Expense		\$ -
	icial Reuse in Base Rates (from ES Form 2.	61)	\$ -
Net Beneficial Reuse	O&M Expense		\$ -

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2011

On-Site CCP Disposal O&M Expense	Ca	ne Run	Mill	Creek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$		\$	-	\$	-	
(2) Monthly Amount [(1) / 12]	\$	-	\$	_	\$	-	
2009 Plan Project 25					•		
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$	-	
Total Beneficial Reuse - Generating Station	_						
(4) Monthly Expense [(2) + (3)]	\$	_	\$	_	\$	-	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$		\$	-	· · · · · · · · · · · · · · · · · · ·
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	-	\$	-	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	\$		<b> </b>		<b>                   </b>	- 1	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY Conroy ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 31, 2011

	GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)				
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)				
Jan-11	53,670,168	22,451,005	3,138,445	1,766,317	146,568	\$ 81,172,503	S	81,025,935				
Feb-11	45,506,117	18,084,243	2,158,942	1,409,347	819,108	\$ 67,977,757	\$	67,158,649				
Mar-11	46,128,576	18,834,571	676,641	1,295,997	742,383	\$ 67,678,169	\$	66,935,786				
Apr-11	42,787,952	17,040,984	1,740,517	830,283	874,121	\$ 63,273,856	\$	62,399,735				
May-11	45,254,113	17,514,458	1,969,596	851,874	666,380	\$ 66,256,422	\$	65,590,042				
Jun-11	57,215,197	22,484,573	4,437,519	1,415,042	1,206,179	\$ 86,758,510	\$	85,552,331				
Jul-11	60,671,982	25,574,512	4,806,290	1,627,342	1,362,039	\$ 94,042,165	\$	92,680,126				
Aug-11	69,075,343	29,943,737	4,591,621	1,891,554	272,788	\$ 105,775,043	\$	105,502,255				
Sep-11	58,381,866	24,725,734	2,677,626	1,499,239	165,369	\$ 87,449,834	\$	87,284,465				
Oct-11	44,735,180	19,455,835	1,950,880	958,522	127,590	\$ 67,228,008	\$	67,100,417				
Nov-11	40,224,157	17,121,568	2,340,079	868,435	126,855	\$ 60,681,094	\$	60,554,239				
Dec-11	43,779,161	18,883,068	1,944,684	1,041,293	168,884	\$ 65,817,090	\$	65,648,206				
for 12 Months Endi	ing Current Expense Mor						\$	75,619,349				
		Environmental Surcharge		n 3.10 =			\$	65,648,206				
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for Current M	Ionth					100.00%				

			GRO'	UP 2 (Net Revenues) -	Kentucky Jurisdictional	Revenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Total Environmental Surcharge	Total Non-Fuel Revenues plus DSM
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)
Jan-11						\$ -	\$ -	\$ -
Feb-11							\$ -	
Mar-11						1 *	Ψ	
Apr-11						<u> </u>	4	
May-11						<u> </u>	<del>                                    </del>	\$ -
Jun-11						\$ -	17	\$ -
Jul-11								
Aug-11						-	<del> </del>	<u> </u>
Sep-11					<u> </u>	1 4	<del></del>	<del> </del>
Oct-11						1 2		
Nov-11					<del> </del>		\	
Dec-11							- 3	-
	irisdictional Revenues, l ng Current Expense Mo	Excluding Environmental	Surcharge and Fuel,					\$ -
		Environmental Surcharg	e Purposes from ES For	n 3.10 =			\$ 65,648,206	
		al Revenues for Current l						

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2011

		Revenues per	Re	evenues per
	1	Form 3.00	Inco	me Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,662,230	\$	62,662,230
(2) Fuel Adjustment Clause	\$	1,944,684	\$	1,944,684
(3) DSM	- \$	1,041,293	\$	1,041,293
(4) Environmental Surcharge			\$	168,884
(5) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	65,648,206		
Non -Jurisdictional Revenues				
(6) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	15,251,618	\$	15,251,618
(7) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	15,251,618		
(8) Total Company Revenues for Environmental Surcharge Purposes =	\$	80,899,824		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		81.15%		
Reconciling Revenues				
(8) Brokered	\$	_	\$	-
(9) InterSystem (Transmission Portion Booked in Account 447)			\$	_
(10) Unbilled			\$	2,742,668
(11) Miscellaneous			\$	990,580
(12) Total Company Revenues per Income Statement =			\$	84,801,955



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

FFB 1 7 2012

PUBLIC SERVICE COMMISSION

February 17, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 29, 2012.

Included with this filing is the implementation of the changes to the allocation of the monthly revenue requirement approved by the Commission's Final Order dated January 31, 2012 in Case No. 2011-00232. Please note that some changes have been made to ES Form 1.10, with conforming changes to ES Forms 1.00 and 3.00. LG&E is requesting a technical conference with Commission Staff on Wednesday, February 22, 2012, to explain these changes.

Through the process of implementing the changes approved by the Commission in the 2011 ECR Plan and in Case No. 2011-00232, it has come to my attention that the Curtailable Service Rider ("CSR) Credits have inadvertently been included in the revenues reported on ES Forms 3.00 and 3.10. Therefore, the revenues shown on ES Form 3.00 have been revised from the previously filed amounts to reflect the removal of the CSR Credits. Also, the CSR Credits have been added to ES Form 3.10 to correct this issue in future filings. Since the revenues are used to calculate the monthly billing factor but not the monthly revenue requirement, the impact of the inclusion of CSR Credits would be trued-up in the six-month and two-year review process.

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
P.O. Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com Mr. Jeff DeRouen February 17, 2012

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in January 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

Dennis G. Howard II Lawrence W. Cook Office of the Attorney General Office of Rate Intervention 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601-8204

Michael L. Kurtz Kurt J. Boehm Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, OH 45202

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID #. 27-2585037

**INVOICE DATE:** 

1/4/2011

INVOICE #:

20111206

INVOICE PERIOD: PROJECT NAME:

12/1/2011-12/31/2011

ITAGE PROJECT #:

Kentucky LGE Environmental Compliance **2011-56** 

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard

Frankfort, Kentucky 40602

### PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	WORKED	RATE	FEES	EXPENSES	AMOUNT	IOIALS
Walt Drabinski	December	8	\$260	\$2,080.00		\$2,080.00	
Chuck Buechel	December	6	\$240	\$1,440.00		\$1,440.00	$\nu$
Mike Boismenu	December	1	\$240	\$240.00		\$240.00	
Mark Fowler	December	0	\$240	\$0.00		\$0.00	
SUB TOTALS		15		\$3,760.00	\$0.00	\$3,760.00	
TOTAL FEES TOTAL PERSONAL	EXPENSES		, ,				\$3,760.00 \$0.00
OVERNIGHT MAIL				•			\$0.00
COPYING - Black/W	hite					,	\$0.00
COPYING - Color		•		•			\$0.00
MISCELLANEOUS Invoice Amount				-		;	\$3,760.00
					•		

TOTAL MONTHLY INVOICE AMOUNT

\$3₁760.00

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

PO# 60185

ECR proceeding

Kentucky Invoice 20111206, 1/16/2012

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of January 2012

### GROUP 1 (Total Revenue)

Group 1 E(m) ES Form 1.10, line 16	=	\$ 211,980
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.67%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 291,177
Group 2 ES Billing Factor ES Form 1.10, line 18	=	1.02%

Effective Date for Billing: March billing cycle beginning February 29, 2012

Title: Director, Rates

Submitted by

Date Submitted: February 17, 2012

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of January 2012

### Calculation of Total E(m)

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans			
(1) RB	= \$	74,898,464	\$ 1,28	32,783		
2) RB/12	= \$	6,241,539	\$ 10	6,899		
3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.82%	1	0.37%		
4) OE	= \$	366,668	\$ 5.	5,910		
5) BAS	= \$	· <u>-</u>	Not Applicable			
6) BR	= \$	•	Not Applicable			
7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	1,042,002	\$ 60	6,996		
8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	. \$	1,108,998				

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	85.04%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	943,092
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00232	= \$	241,530
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	681,464
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	503,158

Calculation of Group Environmental Surcharge Billing Factors

		GROU	P 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.13%	57.87%
(16)	Group E(m) [(14) x (15)]	= \$	211,980	\$ 291,177
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,682,177	\$ 28,684,742
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.67%	1.02%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2012

Determination of Environmental Compliance Rate Base

	Pre	-2011 Envirome	ntal C	Compliance Plans	2011	Enviromenta	al Con	npliance Plan
Eligible Pollution Control Plant	\$	74,459,569			\$	-		
Eligible Pollution CWIP Excluding AFUDC		8,035,659				1,269,464		
Subtotal			\$	82,495,228			\$	1,269,464
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		18,355						
Cash Working Capital Allowance		214,428				13,319		
Subtotal	_			232,783				13,319
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		4,353,308						
Pollution Control Deferred Income Taxes		3,476,239				-		
Subtotal				7,829,547				-
Environmental Compliance Rate Base			\$	74,898,464			\$.	1,282,783

**Determination of Pollution Control Operating Expenses** 

The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 137,600	\$ 54,008
Monthly Depreciation & Amortization Expense	232,123	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,760	
Monthly Surcharge Consulting Fees		1,767
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 366,668	\$ 55,910

Determination of Beneficial Reuse Operating Expenses

	T	
·	Envir	ronmental
	Compl	liance Plan
Total Monthly Beneficial Reuse Expense	\$	_
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Tot Proce		 ount in se Rates	Net Proceeds
	(1)	)	(2)	(1) - (2)
Allowance Sales	\$	-	\$ •	\$ -
Scrubber By-Products Sales		-		-
Total Proceeds from Sales	\$	-	\$ -	\$ -

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2012	ITC A	Monthly mortization Credit	D	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
							(2)-(3)+(4)								
		T		[											
2005 Plan:															
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$ 4,818,43		484,681		2,669	\$	4,336,417	\$	635,816			\$	10,067	\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$ 4,730,50				864,497	\$	5,164,941	\$	352,249			\$	8,397	\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$ 850,10				-	\$	724,604	\$	109,613			\$	2,564	\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$ 308,5	07   \$	59,708		-	\$	248,799	\$	20,369			\$	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	-	\$	-	\$	-	\$	-	\$				\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 7,361,0	77   \$	1,542,231	\$	-	\$	5,818,846	\$	1,299,962			\$	22,206	\$	730
Subtotal	\$ 18,068,6	83 \$	2,642,242	\$	867,167	\$	16,293,607	\$	2,418,008			\$	44,380	\$	2,042
Less Retirements and Replacement resulting	1 ' '							1				i			
from implementation of 2005 Plan	\$ (2,520,8	65) \$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan;	\$ 15,547,8	17 \$	1,672,910	\$	867,167	\$	14,742,073	\$	2,033,313			\$	39,127	\$	1,848
		T		Ī		Γ		Π	_						
2006 Plan:		i				l		l				ĺ		1	
Project 18 - TC2 AQCS Equipment	\$ 43,429,8	31 \$	1,898,411	\$	772,187	\$	42,303,607	\$	789,291	\$	14,527	\$	152,553	\$	5,303
Project 19 - Sorbent Injection	\$ 3,440,0	76 \$	376,387	\$	-	\$	3,063,689	\$	355,554			\$	9,777	\$	384
Project 20 - Mercury Monitors	\$ 2,050,3	46 \$	290,834	\$	_	\$	1,759,513	\$	67,594			\$	8,867	\$	221
Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 397,1	51 \$	84,108	\$	-	\$	313,043	\$	79,993			\$	1,361	\$	39
Subtotal	\$ 49,317,4	05   \$	2,649,740	18	772,187	S	47,439,852	l_s	1,292,431	\$	14,527	l s	172,558	S	5,947
Less Retirements and Replacement resulting	,,,,,,,	-	- <b>,,</b>	1		1	,,	1	-,,	1	,			1	
from implementation of 2006 Plan	\$ -	.   \$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
				1_		<u> </u>		<u> </u>				_		<u> </u>	
Net Total - 2006 Plan:	\$ 49,317,4	05   \$	2,649,740	1 \$	772,187	1 \$	47,439,852	15	1,292,431	\$	14,527	\$	172,558	\$	5,947
2009 Plan:															
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	\s .	.   s	<u>-</u>	s	1,450,965	s	1,450,965	\$	_	1		S	_	s	180
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,594,3	1 -		1 *	(66,645)		9,497,045		150,494	i		\$	20,438	1 -	1,198
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$ 5,554,5	. s	•	\$	3,488,068		3,488,068		,			\$	,	\$	400
Project 25 - Beneficial Reuse	s	-   \$		s	1,523,917		1,523,917		_			s	_	\$	. 138
Troject 25 Beneficial Reduce	1			1	-,,	1	-,,	1		1					
Subtotal	\$ 9,594,3	47 \$	30,657	\$	6,396,305	\$	15,959,995	\$	. 150,494			\$	20,438	\$	1,917
Less Retirements and Replacement resulting	1		•	1		1		1	,					1	
from implementation of 2009 Plan	\$	- \$	-	\$	-	\$	-	\$	-			.\$	-	\$	-
Net Total - 2009 Plan:	\$ 9,594,3	17 6	30,657	10	6,396,305	10	15,959,995	10	150,494	┼		  \$	20,438	10	1,917
INCLIDIAL - ZOUP FIRM:	φ 9,394,	1 <del>7</del> / 3	5 30,037	1 4	0,350,303	1 9	12,727,773	┼╩	130,434	┿		╁	20,436	1 9	1,717
Subtotal - Pre-2011 Plans:	\$ 74,459,	69 e	4,353,308	18	8,035,659	18	78,141,921	18	3,476,239	I s	14,527	T.S.	232,123	1.8	9,712

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)		(3)	(4)	(5)	(6)		(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 1/31/2012	ITC A	Ionthly mortization Credit	De	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
					(2)-(3)+(4)							
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - -	\$	-	\$ 1,242,309 27,155	1,242,309 27,155	- -			s	-	\$	135 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$	-	\$ 1,269,464	\$ 1,269,464	\$ · <u>-</u>		·	\$ \$	-	\$	135
Net Total - 2011 Plan:	\$ -	\$	-	\$ 1,269,464	\$ 1,269,464	\$ -	\$		\$		\$	135
Net Total - All Plans:	\$ 74,459,569	\$_	4,353,308	\$ 9,305,123	\$ 79,411,384	\$ 3,476,239	\$	14,527	\$	232,123	\$	9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2012

Vintage Year	Nun	nber of Allowand	ces	Tot	al Dollar V	Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	166,024	13,091	7,299	\$ 1,581.21	\$	17,490.40	\$ 865.13	
2013	62,379				<u> </u>			
2014	62,379							
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379				<u> -</u>			
2020	62,379							
2021	62,379							·
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379			•				
2031	62,379							
2032 - 2040	561,411							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of January 2012

		ginning	Allocations/	Utili		Utilized				Ending	Allocation, Purchase, or
	lny	ventory	Purchases	(Coal	Fuel)	(Other Fuels)	S	old	1	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALL	OWANCES	S IN INVENTORY	, ALL CL	ASSIFIC	ATIONS				·	
Quantity	1	172,884	0	Í	6,860	(		0	T	166,024	·
Dollars	\$	1,646.54	\$ -	\$	65.33	\$ -	\$	_	\$	1,581.21	
\$/Allowance	\$	0.01		\$	0.01		\$	_	\$	0.01	
	<del></del>		<del></del>				<u>.l</u>		I		
ALLOCATED A	LLOWA	NCES FRO	M EPA: COAL I	UEL							
Quantity		168,814	22		6,763			_		162,073	Beginning Inventory includes 59,966 2012 vintage allowances;
Dollars	\$	1,599.17	\$ 0.21	\$	64.40	\$ -	\$	_	\$	1,534.98	transferred 22 allowances from TC CTs to TC1
				J							
				<u> </u>							•
ALLOCATED A	LLOWA	NCES EDO	M EDA. OTHER	FIIFIC							·
	LLOWA		OM EPA: OTHER		. 07				1	3 051	Paginning Inventory includes 2 413 2012 vintage allowences:
Quantity	T	4,070	(22	)	97	-		_	e .		Beginning Inventory includes 2,413 2012 vintage allowances;
ALLOCATED A Quantity Dollars	LLOWA		(22	)	97 0.93		. \$	-	\$	3,951 46.23	Beginning Inventory includes 2,413 2012 vintage allowances; transferred 22 allowances from TC CTs to TC1
Quantity	T	4,070	(22	)			\$		\$		
Quantity Dollars	\$	4,070 47.37	\$ (0.21)	)			\$		\$		
Quantity Dollars  ALLOWANCES	\$	4,070 47.37	\$ (0.21)	)			\$		\$		
Quantity Dollars  ALLOWANCES From Market:	\$	4,070 47.37	\$ (0.21)	)			\$		\$		
Quantity Dollars  ALLOWANCES From Market: Quantity	\$	4,070 47.37 PURCHAS	(22 \$ (0.21 ES:	)	0,93	\$ -	\$		\$	46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM	4,070 47.37 PURCHAS	(22 \$ (0.21 ES:	) \$	0,93	\$ -				46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM	4,070 47.37 PURCHAS	(22 \$ (0.21 ES:	) \$	0.93	\$ - \$ -	\$		\$	46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM	4,070 47.37 PURCHAS	(22 \$ (0.21 ES:	) \$	0.93	\$ - \$ -	\$		\$	46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM	4,070 47.37 PURCHAS	(22 \$ (0.21 ES:	) \$	0.93	\$ - \$ -	\$		\$	46.23	
Quantity	FROM	4,070 47.37 PURCHAS	(22 \$ (0.21 ES: - \$ - \$ -	) \$	0.93	\$ - \$ - \$ -	\$		\$	46.23	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of January 2012

\$/Allowance \$ - :	\$ -	, ALL CLASSIFIC	(Other Fuels)  ATIONS	Sold	Inventory	Sale Date & Vintage Years
Quantity         7,299           Dollars         \$ 865.13         \$           \$/Allowance         0.12         \$           ALLOCATED ALLOWANCES FROM Quantity         7,108         \$           Dollars         \$ 864.83         \$           ALLOCATED ALLOWANCES FROM Quantity         191         Dollars         \$           ALLOWANCES FROM PURCHASES FROM PURCHASES FROM PURCHASES Quantity         0         0           Dollars         \$ -         5           \$/Allowance         \$ -         5           From KU:         \$         -         5	\$ -	0				
Quantity         7,299           Dollars         \$ 865.13         \$           \$/Allowance         \$ 0.12         \$           ALLOCATED ALLOWANCES FROM Quantity         7,108         \$           Dollars         \$ 864.83         \$           ALLOCATED ALLOWANCES FROM Quantity         191         Dollars         \$           ALLOWANCES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES F	\$ -	0				
Social Street	\$ -		0			
\$\frac{\text{Allowance}}{\text{S}} \text{Allowance} \text{\$\text{\$\text{\$0.12}\$} \text{\$\text{\$\text{\$S}}}}{\text{ALLOCATED ALLOWANCES FROM}}{\text{Quantity}} \text{\$\text{\$\text{\$\text{\$7,108}\$} \text{\$\text{\$\text{\$64.83}\$} \text{\$\text{\$\text{\$\text{\$\text{\$0.30}\$}}}{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\text{\$\$\text{\$\text{\$\te		l e	0	0	7,299	·
ALLOCATED ALLOWANCES FROM Quantity 7,108   Dollars \$ 864.83 \$  ALLOCATED ALLOWANCES FROM Quantity 191   Dollars \$ 0.30 \$  ALLOWANCES FROM PURCHASES From Market: Quantity 0 Dollars \$ - \$ \$ (Allowance) \$ - \$  \$ (Allowance) \$ - \$  Comparison of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase of the purchase	\$ -		\$	\$ -	\$ 865.13	
Quantity         7,108           Dollars         \$ 864.83           ALLOCATED ALLOWANCES FROM           Quantity         191           Dollars         \$ 0.30           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **		\$ -	\$ -	\$ -	\$ 0.12	
Quantity         7,108           Dollars         \$ 864.83           ALLOCATED ALLOWANCES FROM Quantity         191           Dollars         \$ 0.30           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **         **           **						
ALLOCATED ALLOWANCES FROM Quantity 191 Dollars \$ 0.30 \$  ALLOWANCES FROM PURCHASES FROM Market: Quantity 0 Dollars \$ - \$ \$ \$ \$ \$ ALLOWANCES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES FROM PURCHASES F	OM EPA: COAL F	UEL			7 100	D : : I
ALLOCATED ALLOWANCES FROM Quantity 191 Dollars \$ 0.30 \$  ALLOWANCES FROM PURCHASES From Market: Quantity 0 Dollars \$ - \$ \$/Allowance \$ - \$		-	-	-		Beginning Inventory includes 6,128 2012 vintage
ALLOCATED ALLOWANCES FROM Quantity 191 Dollars \$ 0.30 \$  ALLOWANCES FROM PURCHASES From Market: Quantity 0 Dollars \$ - \$ \$/Allowance \$ - \$	-	\$ -	\$ -	\$ -	\$ 864.83	allowances
ALLOCATED ALLOWANCES FROM  Quantity 191  Dollars \$ 0.30 \$  ALLOWANCES FROM PURCHASES  From Market:  Quantity 0  Dollars \$  \$/Allowance \$  From KU:	L	L	L	L	L	
\$ 0.30   \$   \$   \$   \$   \$   \$   \$   \$   \$	OM EPA: OTHER	FUELS				
ALLOWANCES FROM PURCHASES From Market: Quantity 0 Dollars \$\\$'Allowance \$\\$'From KU:	-	-	_	-		Beginning Inventory includes 84 2012 vintage
From Market:  Quantity  Dollars  \$ - : \$/Allowance  From KU:	\$ -	\$ -	-	\$ -	\$ 0.30	allowances
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  \$ - \$						
From Market:  Quantity  Dollars  \$ - : \$/Allowance  From KU:					•	
Quantity         0           Dollars         \$ -           \$/Allowance         \$ -           From KU:         -	ES:					
Dollars         \$ - !           \$/Allowance         \$ - !           From KU:						
\$/Allowance	0		0		0	
From KU:	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$	\$ -	-	\$ -		
					<b>,</b>	
Quantity 0		<del> </del>	0	0	0	
	0	\$ -	\$ -	\$ -	\$ -	
\$/Allowance \$ -	\$ -	-	-	\$ -	\$	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of January 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
OTAL EMISSI	ON ALLOWANCE:	S IN INVENTORY	ALL CLASSIFIC	CATIONS			
Quantity	14,133	275	1,317	0	T 0	13,091	
Oollars	\$ -	\$ 19,250.00		\$ -	\$ -	\$ 17,490.40	
Allowance	\$ -	\$ 70.00			\$ -	\$ 1.34	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F					
Quantity	14,030	-	1,317	-	-	12,988	Beginning inventory includes 14,030 2012 vintage allowances;
Dollars	\$ -	\$ -	\$ 1,759.60	\$ -	\$ -	\$ 17,490.40	Ending inventory includes total from below
	•				•		
	LLOWANCES FRO	OM EPA: OTHER	FUELS -	T	T -	103	Beginning inventory includes 103 2012 vintage allowances
Quantity	103						Beginning inventory includes 103 2012 vintage allowances
Quantity			T	<u> </u>	6		Beginning inventory includes 103 2012 vintage allowances
Quantity Dollars ALLOWANCES	103	\$ -					Beginning inventory includes 103 2012 vintage allowances
Quantity Dollars  ALLOWANCES rom Market:	\$ -	- \$ - ES:	\$ -	\$ -	\$ -	\$ -	
Quantity Dollars  ALLOWANCES from Market: Quantity	\$ - FROM PURCHAS	ES:	\$ -	\$ -	\$ -	0	
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars	\$ -	ES: 275 \$ 19,250.00	- \$ - 0 \$ -	\$ -	\$ -	0	Beginning inventory includes 103 2012 vintage allowances  Included in total above - purchase of 275 allowances from AEI
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars	103 \$ - FROM PURCHAS 0 \$ -	ES: 275 \$ 19,250.00	- \$ - 0 \$ -	\$ - 0 \$ -	0 \$ -	0	
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars  MAllowance	103 \$ - FROM PURCHAS 0 \$ -	ES: 275 \$ 19,250.00	- \$ - 0 \$ -	\$ - 0 \$ -	0 \$ -	0	
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars b/Allowance rom KU:	103 \$ - FROM PURCHAS 0 \$ -	ES:  275 \$ 19,250.00 \$ 70.00	0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	0 \$ -	
Quantity Dollars	103 \$ -  FROM PURCHAS  0 \$ - \$ -	ES:  275 \$ 19,250.00 \$ 70.00	0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	0 \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2012

Environmental Compliance Plan								
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount						
11th Previous Month	160,038	\$ -						
10th Previous Month	150,155							
9th Previous Month	102,021							
8th Previous Month	148,079							
7th Previous Month	106,254							
6th Previous Month	170,289							
5th Previous Month	270,125							
4th Previous Month	174,545							
3rd Previous Month	61,568							
2nd Previous Month	104,274							
Previous Month	130,472	52,540						
Current Month	137,600	54,008						
Total 12 Month O&M	\$ 1,715,420	\$ 106,548						

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$	1,715,420	\$		106,548	
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8		
Pollution Control Cash Working Capital Allowance	\$	214,428	\$		13,319	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2012

O&M Expense Account	Can	ie Run	Mill Creek	Trimble County	Total
2005 Plan					
502056-ECR Scrubber Operations				48,774.09	48,774.09
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses				48,774.09	48,774.09
2006 Plan	•				•
506159 - ECR Sorbent Injection Operation				2,581.46	2,581.46
506152 - ECR Sorbent Reactant - Reagent Only				9,441.96	9,441.96
512152 - ECR Sorbent Injection Maintenance				153.59	153.59
506150 - ECR Mercury Monitors Operation		(317.67)	(851.96)	(106.28)	(1,275.91)
512153 - ECR Mercury Monitors Maintenance		- 1	-	- 1	-
502056 - ECR Scrubber Operations				16,540.61	16,540.61
512055 - ECR Scrubber Maintenance				8,468.04	8,468.04
506154 - ECR NOx Operation Consumables				20,246.05	20,246.05
506155 - ECR NOx Operation Labor and Other				780.34	780.34
512151 - ECR NOx Maintenance				641.62	641.62
506051 - ECR Precipitator Operation				1,484.24	1,484.24
506151 - ECR Activated Carbon				29,489.95	29,489.95
512051 - ECR Precipitator Maintenance				274.31	274.31
Total 2006 Plan O&M Expenses	\$	(317.67)	(851.96)	89,995.89	88,826,26
2009 Plan					
502012 - ECR Landfill Operations		-			
512105 - ECR Landfill Maintenance		-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-
Net 2009 Plan O&M Expenses					
Subtotal - Pre-2011 Plans		(317,67)	(851.96)	138,769,98	137,600,35
Buctom Tre 2011 rans		(317.07)]	(031.50)[		757,000.05
2011 Plan				,	
502056 - ECR Scrubber Operations			-		
512055 - ECR Scrubber Maintenance			-		
506159 - ECR Sorbent Injection Operation				9,836.77	9,836.77
506152 - ECR Sorbent Reactant - Reagent Only				43,940.23	43,940.23
512152 - ECR Sorbent Injection Maintenance				231.46	231.46
506156 - ECR Baghouse Operations					
512156 - ECR Baghouse Maintenance					
506151 - ECR Activated Carbon			-		
Adjustment for Base Rates Baseline Amounts				51.000	
Total 2011 Plan O&M Expenses				54,008.46	54,008.46
Current Month O&M Expense for All Plans	1.8	(317.67)[\$	(851.96)	\$ 192,778.44   \$	191,608,81
Content 1.101ml Court Exponde for the time		(527.57)] \$	(051.50)]		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
The graph of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	Φ.	
(1) 12 Months Ending with Expense Month		- \$
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ .	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	- \$
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		- 1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
•			
		,	
		·	
	•		
Total Monthly Ber	neficial Reuse Expense		
Adjustment for Be	neficial Reuse in Base Rates (from ES Form 2.0	61)	\$ -
Net Beneficial Reu	ise O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense	Cai	ne Run	Mil	l Creek	Trimble	County	Total
	4						
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				•			····
(1) 12 Months Ending with Expense Month	\$	-	\$	-	\$	-	
(2) Monthly Amount [(1) / 12]	\$	-	\$	-	\$		
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	_	\$	-	
Total Beneficial Reuse - Generating Station							1
(4) Monthly Expense [(2) + (3)]	\$	-	\$	_	\$	-	
Beneficial Reuse in Base Rates	- ·						
(5) Annual Expense Amount (12 Mo Ending with Last Test Ye	ar) \$	-	\$	-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	_	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	-	\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$	_	\$	-	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	I \$		\$		T.\$	<u> </u>	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

#### LOUISVILLE GAS AND ELECTRIC COMPANY Conroy

#### ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: January 31, 2012

	GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2) (3) (4) (5) (6) (7)											
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	E	Total Excluding invironmental Surcharge (7)-(6)				
Feb-11	\$ 21,057,007	\$ 7,011,752	\$ 831,565	\$ 1,172,666	\$ 386,720	\$ 30,459,710	\$	30,072,990				
Mar-11	19,413,371	6,273,687	165,608	1,046,734	293,582	\$ 27,192,982	\$	26,899,400				
Apr-11	17,467,777	5,532,667	613,800	528,908	340,308	\$ 24,483,461	\$	24,143,152				
May-11	17,737,681	5,602,741	639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873				
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762				
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256				
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733				
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093				
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315				
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182				
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021				
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346				
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge,				1					
	ng Current Expense Mor						\$	31,682,177				
		excluding Environmental			onth =		\$	75,194,874				
GROUP 1 Revenue	s as a Percentage of Total	al Revenues for 12-mont	hs ending with the Curre	nt Month				42.13%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)					
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)					
Feb-11	\$ 24,649,727	\$ 11,072,492	\$ 1,327,377	\$ 236,681	\$ 432,388	\$ 37,718,665	\$ 37,286,277						
Mar-11	26,932,047	12,560,884	511,033	249,263	448,801	\$ 40,702,028	\$ 40,253,227	\$ 27,181,310					
Apr-11	25,607,191	11,508,317	1,126,717	301,374	533,813	\$ 39,077,412	\$ 38,543,600	\$ 25,908,566					
May-11	27,604,702	11,911,717	1,329,618	317,400	423,072	\$ 41,586,510	\$ 41,163,439	\$ 27,922,103					
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917	\$ 49,712,979	\$ 49,030,062	\$ 32,546,445					
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421	\$ 49,259,568	\$ 32,083,031					
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232					
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782					
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947					
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812							
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186					
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789					
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.												
		al Revenues for 12-month			nu -		\$ 75,194,874 57.87%						

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: January 31, 2012

		Revenues per	Re	venues per
		Form 3.00	Incor	ne Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	70,777,853	\$	70,777,853
(2) Fuel Adjustment Clause	\$	2,565,988	\$	2,565,988
(3) DSM	\$	1,262,144	\$	1,262,144
(4) Environmental Surcharge			\$	279,719
(5) CSR Credits			\$	(77,538)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	74,605,985		
Non -Jurisdictional Revenues	1			
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	13,123,235	\$	13,123,235
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	13,123,235		
	T			
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	87,729,220		
		0.5.0.40.4		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	·	85.04%	1	
Reconciling Revenues				
(10) Brokered	\$		\$	_
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	_
(12) Unbilled			\$	(1,162,381)
(13) Miscellaneous			\$	1,351,718
(14) Total Company Revenues per Income Statement =			\$	88,120,738



RECEIVED

MAR 1 9 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Manager - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

March 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Ms. O'Donnell:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after March 29, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of February 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	*	=	\$ 175,798
Group 1 ES Billing Factor ES Form 1.10, line 18		=	0.56%
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16		=	\$ 241,576
Group 2 ES Billing Factor ES Form 1.10, line 18		=	0.84%

Effective Date for Billing: April billing cycle beginning March 29, 2012

t O

Title: Director, Rates

Date Submitted: March 19, 2012

ES FORM 1.10

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of February 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OB - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
1) RB	=	: \$	76,154,412	\$ 1,467,219
2) RB/12	=	: \$	6,346,201	\$ 122,268
3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		10.82%	10.37%
4) OE	=	: \$	389,521	\$ 42,893
5) BAS	=	: \$	-	Not Applicable
6) BR	=	: \$	•	Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	=	: \$	1,076,180	\$ 55,572
8) Total $E(m) = sum of Pre-2011 E(m) + 2011 E(m)$		\$	1,131,752	

Calculation of Adjusted Net Jurisdictional E(m)

* ****			
(9)	Jurisdictional Allocation Ratio for Expense Month – ES Form 3.10	=	90.50%
(10)	$\label{eq:continuous} \mbox{Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio}  \mbox{[(8) x (9)]}$	= \$	1,024,236
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	606,863
(14)	$Adjusted\ Net\ Jurisdictional\ E(m)  [(10)+(11)+(12)-(13)]$	=	417,373

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.12%	57.88%
(16)	Group E(m) [(14) x (15)]	= \$	175,798	\$ 241,576
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	31,639,684	\$ 28,614,354
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.56%	0.84%

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of February 2012

**Determination of Environmental Compliance Rate Base** 

Determination of Environmental Compliance Rate Base				·				
	Pre	Pre-2011 Enviromental Compliance Plans			2011	pliance Plan		
Eligible Pollution Control Plant	\$	74,459,569			\$	-		
Eligible Pollution CWIP Excluding AFUDC		9,653,051				1,448,556		
Subtotal			\$	84,112,620			\$	1,448,556
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		17,149						
Cash Working Capital Allowance		214,549				18,663		
Subtotal				231,698				18,663
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		4,590,684				-		
Pollution Control Deferred Income Taxes		3,599,222						
Subtotal				8,189,906				-
Environmental Compliance Rate Base			\$	76,154,412			\$	1,467,219

**Determination of Pollution Control Operating Expenses** 

2 determination of 1 onusion context of operating 22points		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 161,007	\$ 42,758
Monthly Depreciation & Amortization Expense	232,123	, -
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,206	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 389,521	\$ 42,893

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	onmental
	Compli	ance Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	

Proceeds From By-Product and Allowance Sales

Froceeus From By-Product and Anowance	Sales					
	T	'otal	Amo	unt in		Net
	Pro	ceeds	Base	Rates	Pr	oceeds
		(1)		(2)	(1	) - (2)
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales				-		-
Total Proceeds from Sales	\$	-	\$	-	\$	-

Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: February 29, 2012

(1)	T	(2)		(3) ·		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/29/2012	ITO	Monthly C Amortization Credit	1	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$		\$	494,748 438,521	\$	2,669 864,497	\$	4,326,351	\$	638,511 357,292			\$	10,067 8,397	\$	544 646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$ \$	308,507	\$ \$ \$	128,061 60,854 - 1,564,437	\$ \$ \$		\$ \$ \$	247,653	\$ \$ \$	111,568 20,461 - 1,316,239			\$ \$ \$	1,147	\$ \$ \$	91 31 - 730
Subtotal Less Retirements and Replacement resulting	\$	,		,		867,167		16,249,227		2,444,072			\$	44,380		2,042
from implementation of 2005 Plan	\$	(2,520,865)		(969,332)		-	\$	(1,551,534)	L	(384,695)			\$	(5,253)		(194)
Net Total - 2005 Plan:	\$	15,547,817	\$	1,717,291	\$	867,167	\$	14,697,693	\$	2,059,376	<u></u>		\$	39,127	\$	1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$ \$ \$	2,050,965 386,164 299,701 85,469	\$ \$ \$ \$	770,500 - - - -	\$ \$ \$ \$	42,149,366 3,053,913 1,750,645 311,682	\$ \$	862,387 363,878 68,643 79,952	\$	14,527	\$ \$ \$ \$	152,553 9,777 8,867 1,361	\$ \$	5,303 384 221 39
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	49,317,405	\$	2,822,298	\$	770,500	\$	47,265,607 -	\$	1,374,860	\$	14,527	\$	172,558	\$	5,947
Net Total - 2006 Plan:	\$	49,317,405	\$	2,822,298	\$	770,500	\$	47,265,607	\$	1,374,860	\$	14,527	\$	172,558	\$	5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	9,594,347 - -	\$ \$ \$	51,095 - -	\$ \$ \$	1,456,876 (28,560) 4,363,203 2,223,865	\$ \$	1,456,876 9,514,691 4,363,203 2,223,865	\$  \$	164 <b>,</b> 986			\$ \$ \$	- 20,438 - -	\$ \$ \$	180 1,198 400 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	9,594,347	\$	51,095	\$	8,015,384	\$	17,558,636	\$	•			\$	20,438	\$	1,917 -
Net Total - 2009 Plan:	\$	9,594,347	\$	51,095	\$	8,015,384	\$	17,558,636	\$	164,986	T		\$	20,438	\$	1,917
Subtotal - Pre-2011 Plans:	\$	74,459,569	\$	4,590,684	\$	9,653,051	\$	79,521,936	T \$	3,599,222	\$	14,527	  \$	232,123	\$	9,712
		, ,	Ť	.,,,,,,,,,	Ť		Ť	.,,1,50	Ť	-,,	Ť		Ť		+-	-,,,,,,,

Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: February 29, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 2/29/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 1,404,315 \$ 44,241	, , , , , , , , , , , , , , , , , , , ,			\$ - \$ -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	\$ - \$ -	\$ 1,448,556 \$ -	\$ 1,448,556 \$ -	\$ - \$ -		\$ - \$ -	\$ 135 \$ -
Net Total - 2011 Plan:	-	-	\$ 1,448,556	\$ 1,448,556	\$ -	-	\$ -	\$ 135
Net Total - All Plans:	\$ 74,459,569	\$ 4,590,684	\$ 11,101,606	\$ 80,970,491	\$ 3,599,222	\$ 14,527	\$ 232,123	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Inventory of Emission Allowances** 

For the Month Ended: February 29, 2012

Vintage Year	Nun	nber of Allowand	ces	Total Dollar Value Of Vintage Year			Yea		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	Π	NOx	
		Annual	Ozone Season			Annual		Ozone Season	
Current Year	160,302	12,188	7,299	\$ 1,526.73	\$	16,283.93	\$	865.13	
2013	62,379								
2014	62,379								
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379						Г		
2021	62,379						Г		
2022	62,379						Т		
2023	62,379						Г		
2024	62,379								
2025	62,379						T		
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379						$oxed{\mathbb{L}}$		
2031	62,379								
2032 - 2041	623,790						Г		

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
<del></del>							
TOTAL EMISSIO	ON ALLOWANCES	IN INVENTORY					
Quantity	166,024	0	5,722		0	160,302	
Dollars	\$ 1,581.21		\$ 54.48		\$ -	\$ 1,526.73	
\$/Allowance	\$ 0.01	\$	\$ 0.01	\$	- \$	\$ 0.01	
	LLOWANCES FRO	M EPA: COAL F					
Quantity	162,073	<del>-</del>	5,560		-	156,513	
Dollars	\$ 1,534.98	\$	\$ 52.94	\$ -	\$ -	\$ 1,482.04	
	LLOWANCES FRO	M EPA: OTHER					
Quantity	3,951		162			3,789	
Quantity					- \$	3,789 \$ 44.69	
Quantity	3,951		162				
Quantity Dollars	3,951 \$ 46.23	 \$ -	162				
Quantity Dollars ALLOWANCES	3,951	 \$ -	162				
Quantity Dollars  ALLOWANCES From Market:	3,951 \$ 46.23	 \$ -	162				
Quantity Dollars  ALLOWANCES From Market: Quantity	3,951 \$ 46.23 FROM PURCHASI	\$ - \$ES:	162 \$ 1.54	-	\$ -	\$ 44.69	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	3,951 \$ 46.23 FROM PURCHASI	- \$	162 \$ 1.54	\$ - - \$ -	- \$ -	\$ 44.69	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	3,951 \$ 46.23 FROM PURCHASI	\$ - \$ES:	162 \$ 1.54	-	\$ -	\$ 44.69	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	3,951 \$ 46.23 FROM PURCHASI	- \$	162 \$ 1.54	\$ - - \$ -	- \$ -	\$ 44.69	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	3,951 \$ 46.23 FROM PURCHASI	- \$	162 \$ 1.54	\$ - - \$ -	- \$ -	\$ 44.69	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	3,951 \$ 46.23 FROM PURCHASI - \$ - \$ -	ES:	\$ 1.54	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ .44.69	
Quantity Dollars	3,951 \$ 46.23 FROM PURCHASI - \$ - \$ -	ES: - \$ - \$ -	162 \$ 1.54	\$ -   -   \$ -   \$ -	\$ - \$ - \$ -	\$ .44.69	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of February 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	7,299	0	0	0	0	7,299	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 0.12	
ALLOCATED AL	LOWANCES FRO	M EPA: COAL F	UEL				
Quantity	7,108	-	-		-	7,108	
Dollars	\$ 864.83	\$	\$ -	\$ -	\$	\$ 864.83	
					<u> </u>		
	LOWANCES FRO	OM EPA: OTHER	FUELS	<b></b>			<del> </del>
Quantity	191		<u> </u>	-	ļ	191	
Dollars	\$ 0.30	\$ -	\$ -	\$ -	\$ -	\$ 0.30	
			1	<u> </u>	L		
A Y Y O YY A NODGO	ED ON A BATTO CALL O	ra .					
	FROM PURCHAS	ES:		<b>1</b>	<del></del>	7	
From Market:							
From Market: Quantity	0	0	0	0		0	
From Market: Quantity Dollars	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars	0	0	<del> </del>				
From Market: Quantity Dollars \$/Allowance	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU:	0 \$ -	0 \$ - \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU: Quantity	0 \$ - \$ -	0 \$ - \$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES I From Market: Quantity Dollars \$/Allowance  From KU: Quantity Dollars \$/Allowance	0 \$ -	0 \$ - \$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of February 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	<u> </u>	<u>'                                     </u>			<u> </u>		
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	13,091	0	903	0	0	12,188	
Dollars	\$ 17,490.40		\$ 1,206.47	-	\$ -	\$ 16,283.93	
\$/Allowance	\$ 1.34	\$ -	\$ 1.34	-	\$ -	\$ 1.34	
	LLOWANCES FRO				T		·
Quantity	12,988		901		<u>-</u>	12,087	
Dollars	\$ 17,490.40	\$ -	\$ 1,206.47	\$ -	\$ -	\$ 16,283.93	
	1			<u> </u>	<u> </u>	I	
ATT OCUMEN A	T T OXYLANGED ED	OMEDA OFFICE	ENTERY C				
	LLOWANCES FRO	T		<del></del>	1	404	
Quantity	103	<u> </u>	2			101	
Dollars	\$ -	\$ -		-		\$ -	
<del> </del>	<del></del>	<u> </u>	J	<u> </u>	<u> </u>	<u> </u>	L
ATTOWANCES	FROM PURCHAS	TEC.					
From Market:	T CKCIAS	ES:	<del> </del>	T	1	T	
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	<u> </u>	\$ -	\$ -	\$ -	
7.1	1.7	J., T.	1-7	L		.1.7	<u> </u>
From KU:	1	T T			T	T	
Quantity	0	0	0	0	0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
			-				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 29, 2012

Envi	ronmental Complia	nce Plan	
O&M Expenses	Pre-2	2011 Plan Amount	
11th Previous Month		150,155	·
10th Previous Month		102,021	
9th Previous Month		148,079	
8th Previous Month		106,254	
7th Previous Month		170,289	· ·
6th Previous Month		270,125	
5th Previous Month		174,545	
4th Previous Month		61,568	
3rd Previous Month		104,274	
2nd Previous Month		130,472	52,54
Previous Month		137,600	54,00
Current Month		161,007	42,75
Total 12 Month O&M	\$	1,716,389	\$ 149,30

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,716,389	\$		149,306			
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8				
Pollution Control Cash Working Capital Allowance	\$	214,549	\$		18,663			

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 29, 2012

O&M Expense Account	Car	ne Run	Mill Creek	Trimble County	Total
Occin Expense Account		ie Run	Will Cleek	Timble County	10(a)
2005 Plan					
502056-ECR Scrubber Operations				51,258.80	51,258.80
512055-ECR Scrubber Maintenance			-	-	
Total 2005 Plan O&M Expenses				51,258.80	51,258.80
2006 Plan					
506159 - ECR Sorbent Injection Operation				1,221.48	1,221.48
506152 - ECR Sorbent Reactant - Reagent Only				10,763.59	10,763.59
512152 - ECR Sorbent Injection Maintenance				2,502.41	2,502.41
506150 - ECR Mercury Monitors Operation		317.67	851.96	1,498.50	2,668.13
512153 - ECR Mercury Monitors Maintenance					-
502056 - ECR Scrubber Operations				22,626.13	22,626.13
512055 - ECR Scrubber Maintenance				11,851.66	11,851.66
506154 - ECR NOx Operation Consumables				21,605.05	21,605.05
506155 - ECR NOx Operation Labor and Other				765.34	765.34
512151 - ECR NOx Maintenance			_	1,435.12	1,435.12
506051 - ECR Precipitator Operation			_	1,772.45	1,772.45
506151 - ECR Activated Carbon			_	30,060.66	30,060.66
512051 - ECR Precipitator Maintenance				2,476.21	2,476.21
Total 2006 Plan O&M Expenses	\$	317.67	851.96	108,578.60	109,748.23
2009 Plan					
502012 - ECR Landfill Operations		-			-
512105 - ECR Landfill Maintenance		-		~	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-		-	-
Net 2009 Plan O&M Expenses		_			-
Subtotal - Pre-2011 Plans		317.67	851.96	159,837,40	161.007.03
Battoma 110 BO11 1 Inno		317.07		133,037.10	101,007.03
2011 Plan					
502056 - ECR Scrubber Operations			_		
512055 - ECR Scrubber Maintenance			-		-
506159 - ECR Sorbent Injection Operation			-	4,918.39	4,918.39
506152 - ECR Sorbent Reactant - Reagent Only			-	37,131.61	37,131.61
512152 - ECR Sorbent Injection Maintenance			-	707.72	707.72
506156 - ECR Baghouse Operations			-		
512156 - ECR Baghouse Maintenance				-	-
506151 - ECR Activated Carbon			-	-	
Adjustment for Base Rates Baseline Amounts			-	40 757 70	40 757 50
Total 2011 Plan O&M Expenses			-	42,757.72	42,757.72
Current Month O&M Expense for All Plans	1\$	317.67   \$	851.96	\$ 202,595.12   \$	203,764.75
Controlled Court Emposito for the Little	14	317.07 (4	051.90	Ψ Δυε,σοσια   Φ	203,704.7.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	Ψ	\$
(2) Monthly Amount [(1) / 12]	\$	- \$ -
		<u> </u>
2009 Plan Project		
(3) Monthly Expense	\$	- \$
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	-	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	- \$	
(6) Monthly Expense Amount [(5) / 12]	\$ -	- \$
(7) Total Generating Station Less Base Rates [(4) - (6)]	- \$	
(8) Less 2009 Plan Project [(7) - (3)]	- \$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 29, 2012

Third Party	O&M Expense Account	Plant	Total O&M
	·		
· .			
Total Monthly Ber	neficial Reuse Expense		\$ -
	neficial Reuse in Base Rates (from ES Form 2.6	1)	\$ -
Net Beneficial Ret	ise O&M Expense		\$ <del>.</del>

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -		\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	. \$ -	
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	- \$ -	
(6) Monthly Expense Amount [(5) / 12]	\$ -	-	- \$ -	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	- \$ <u>-</u>	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	- \$ -	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$ -		- 1\$ -	1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY Page 416 of 485 ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: February 29, 2012

	GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues									
(1)	(2) (3) (4) (5) (6) (7)									
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)		Total Excluding nvironmental Surcharge (7)-(6)		
Mar-11	\$ 19,413,371	\$ 6,273,687	\$ 165,608	\$ 1,046,734	\$ 293,582	\$ 27,192,982	\$	26,899,400		
Apr-11	17,467,777	5,532,667	613,800	528,908	340,308	\$ 24,483,461	\$	24,143,152		
May-11	17,737,681	5,602,741	639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873		
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762		
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256		
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733		
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093		
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315		
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182		
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722		\$	27,258,021		
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ . 32,700,884	\$	32,577,346		
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077		
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.									
Average Kentucky J	urisdictional Revenues e	ccluding Environmental S	Surcharge for 12-months	ending with Current Mor	nth =		\$	75,122,552		
GROUP 1 Revenues	as a Percentage of Total	Revenues for 12-months	ending with the Current	Month				42.12%		

	GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)			
Mar-11	\$ 26,932,047	\$ 12,560,884	\$ 511,033	\$ 249,263	\$ 448,801	\$ 40,702,028	\$ 40,253,227	\$ 27,181,310			
Apr-11	25,607,191	11,508,317	1,126,717	301,374	533,813	\$ 39,077,412					
May-11	27,604,702	11,911,717	1,329,618	317,400	423,072	\$ 41,586,510	\$ 41,163,439	\$ 27,922,103			
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917	\$ 49,712,979	\$ 49,030,062	\$ 32,546,445			
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421	\$ 49,259,568	\$ 32,083,031			
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232			
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782			
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947			
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106			
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186			
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789			
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750			
	nrisdictional Revenues, Eng Current Expense Mon	xcluding Environmental S th.	Surcharge and Fuel,				\$ 43,482,868	\$ 28,614,354			
		xcluding Environmental S	Surcharge for 12-months	ending with Current Mon	ıth =		\$ 75,122,552				
		Revenues for 12-months					57.88%				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: February 29, 2012

			Revenues per		evenues per
			Form 3.00	Inco	me Statement
Kentucl	xy Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,747,132	\$	62,747,132
(2)	Fuel Adjustment Clause	\$	2,603,517	\$	2,603,517
(3)	DSM	\$	1,140,754	\$	1,140,754
(4)	Environmental Surcharge			\$	284,828
(5)	CSR Credits			\$	(15,618)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	66,491,403		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	6,976,344	\$	6,976,344
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	6,976,344		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	73,467,747		
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =		90.50%		
Reconc	iling Revenues				
(10)	Brokered	\$	<u>-</u>	\$	
(11)	InterSystem (Transmission Portion Booked in Account 447)	<u>.                                    </u>		\$	-
(12)	Unbilled			\$	1,105,680
(13)	Miscellaneous			\$	1,297,769
(14)	Total Company Revenues per Income Statement =			\$	76,140,406



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

APR 20 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

April 20, 2012

RE:

Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after April 30, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of March 2012

GROUP 1 (Total Revenue)		
Group 1 E(m) ES Form 1.10, line 16	=	\$ 193,518
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.61%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 266,911
Group 2 ES Billing Factor ES Form 1.10, line 18	=	0.93%

Effective Date for Billing: May billing cycle beginning April 30, 2012

Submitted by:

Title: Director, Rates

Date Submitted: April 20, 2012

ES FORM 1,10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of March 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR - DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Pre-2011 Envi Complianc			2011 Environmental Compliance Plans		
(1) RB		=	\$	76,523,810	\$	1	,968,363	
(2) RB / 12		=	\$	6,376,984	\$		164,030	
(3) (ROR + (ROR - I	DR) (TR / (1 - TR)))	=		10.82%			10.37%	
(4) OE		=	\$	339,714	\$		52,077	
(5) BAS		=	\$	(223,227)		Not Applicable		
(6) BR		٠ =	\$	5,985		Not Applicable		
(7) E(m)	(2) x (3) + (4) - (5) + (6)		\$	1,258,915	\$	•	69,087	
(8) Total E(m) = sun	m of Pre-2011 E(m) + 2011 E(m)		\$	1,328,002		•		

Calculation of Adjusted Net Jurisdictional E(m)

1			
(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	. =	89.22%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	1,184,843
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	724,414
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	460,429

Calculation of Group Environmental Surcharge Billing Factors

		GRO	UP 1 (Total Revenue) GR	ROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.03%	57.97%
(16)	Group E(m) [(14) x (15)]	= \$	193,518 \$	266,911
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,595,784 \$	28,566,944
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.61%	0.93%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2012

**Determination of Environmental Compliance Rate Base** 

	Pre	Pre-2011 Environmental Compliance Plans			2011 Enviromental Complia			pliance Plan
Eligible Pollution Control Plant	\$	76,130,659			\$			
Eligible Pollution CWIP Excluding AFUDC		8,722,671			]	,943,207		
Subtotal			\$	84,853,330			\$	1,943,207
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		15,658						
Cash Working Capital Allowance		209,372				25,156		
Subtotal [¬]				225,030				25,156
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		4,830,322				-		
Pollution Control Deferred Income Taxes		3,724,228				-		
Subtotal				8,554,550				**
Environmental Compliance Rate Base			\$	76,523,810			\$	1,968,363

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 108,745	\$ 51,942
Monthly Depreciation & Amortization Expense	234,385	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,399	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 339,714	\$ 52,077

**Determination of Beneficial Reuse Operating Expenses** 

	Envi	ronmental
·	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	5,985
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	5,985

Proceeds From By-Product and Allowance Sales

		1		Amount in Base Rates		Net
	Pt					Proceeds
				(2)		(1) - (2)
Allowance Sales	\$	694	\$	223,921	\$	(223,227)
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	694	\$	223,921	\$	(223,227)

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2012

(1)	(2)		(3)		(4)		(5)		(6) .		(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2012	ITC A	Monthly Amortization Credit	D	Monthly Depreciation Expense	]	Monthly Property Tax Expense
			- 550	T			(2)-(3)+(4)								
2005 Plan:										The same					
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$ 4,81	8,430	\$ 504,815	\$	2,669	\$	4,316,284	\$	641,206			\$	10,067	\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station			\$ 447,870		´-	\$	5,147,196		363,237			\$	9,348	\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1			\$ 130,626		-	S	719,475		113,524			\$		\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6		′ 1	\$ 62,001	s	_	s	246,506		20,553		1	s	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s		\$ -	18	· _	s	,	s	,			\$	-,	\$	
Project 16 - Scrubber Improvements at Trimble County Unit 1		1,077	Ψ	1 *	_	s	5,774,434		1,332,517			s	22,206	1 -	730
Troject 10 Boldbor Improvements at Trimble County Olde 1	7,50	1,077		<u> </u>		Ľ	3,774,434		1,332,317					<u> </u>	750
Subtotal Less Retirements and Replacement resulting	\$ 18,93	3,180	\$ 2,731,954	\$	2,669	\$	16,203,895	\$	2,471,037			\$	45,332	\$	2,042
from implementation of 2005 Plan	\$ (2,52	0,865)	\$ (969,332)	\$	-	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	\$ 16,41	2,315	\$ 1,762,623	\$	2,669	\$	14,652,361	\$	2,086,342			\$	- 40,079	\$	1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 3,44 \$ 2,05	6,424 0,076 0,346 7,151	\$ 395,940 \$ 308,568	\$	- - -	\$ \$	42,031,596 3,044,136 1,741,778 310,321	\$ \$	936,594 372,202 69,692 79,911	\$	14,527	\$ \$ \$	153,863 9,777 8,867 1,361	\$ \$	5,303 384 221 39
Subtotal	\$ 50,12	3,997	\$ 2,996,166	\$		\$	47,127,832	\$	1,458,398	\$	14,527	\$	173,868	\$	5,947
Less Retirements and Replacement resulting from implementation of 2006 Plan	s	-	\$ -	\$	- -	\$	-	\$	-	\$	-	\$	-	\$	
Net Total - 2006 Plan:	\$ 50,12	3,997	\$ 2,996,166	\$		\$	47,127,832	\$	1,458,398	\$	14,527	\$	173,868	\$	5,947
				T		Π		T							
2009 Plan:			_	1	1 047 000		1 047 000	_							100
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	3	-	\$ -	\$	1,247,993		1,247,993		170 100			\$		\$	180
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)		4,347	\$ 71,534		(83,751)		9,439,063		179,488			\$	20,438		1,198
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	\$ -	\$	4,823,325		4,823,325		-			\$		\$	400
Project 25 - Beneficial Reuse	\$	-	\$ -	\$	2,732,434	\$	2,732,434	\$	-	į		\$	=	\$	138
Subtotal	\$ 9,59	94,347	\$ 71,534	\$	8,720,002	\$	18,242,816	\$	179,488	T		\$	20,438	\$	1,917
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$ -	\$	-	\$	-	\$	-			\$	-	\$	<u>.</u> .
Net Total - 2009 Plan:	\$ 9,5	94,347	\$ 71,534	\$	8,720,002	\$	18,242,816	\$	179,488	Ť –		\$ .	20,438	\$	1,917
				I											
Subtotal - Pre-2011 Plans:	\$ 76,1	30,659	\$ 4,830,322	\$	8,722,671	\$	80,023,009	\$	3,724,228	\$	14,527	\$ 1	234,385	\$	9,712
			1	1_			·	1		l		1			

ES Form 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2012

(1)		(2)		(3)		(4)		(5)		(6)	-	(7)		(8)		(9)
Description .	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2012		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)								
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	- -	\$ \$		\$	1,870,613 72,594		1,870,613 72,594		- -			· \$	-	\$	135 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	-	\$ \$	-	\$	1,943,207	\$	1,943,207	\$ \$	-			\$ \$	-	\$	135
Net Total - 2011 Plan:	\$	-	\$	_	\$	1,943,207	\$	1,943,207	\$	-	\$		\$	-	\$	135
Net Total - All Plans:	\$	76,130,659	\$	4,830,322	\$	10,665,878	\$	81,966,215	\$	3,724,228	\$	14,527	\$	234,385	\$	9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: March 31, 2012

Vintage Year	· Nu	mber of Allowan	ces		Total Do	llar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	154,442	11,141	7,299	\$ 1,470	91 \$	14,885.08	\$ 865.13	
2013	62,379							
2014	62,379							
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							·
2022	62,379							
2023	62,379							·
2024	62,379			<u> </u>				
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032 - 2041	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	I inventory	Purchases	(Coal Fuel)	(Other Puels)	5010	inventory	Sale Date & Vintage 1 ears
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	ALL CLASSIFIC	ATIONS			
Quantity	160,302	0	5,860	0	)   0	154,442	
Dollars	\$ 1,526.73		\$ 55.82		\$ -	\$ 1,470.91	
\$/Allowance	\$ 0.01		\$ 0.01		\$ -	\$ 0.01	
		*		<u> </u>			
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	156,513		5,714		_	150,799	
Dollars	\$ 1,482.04	\$ -	\$ 54.43	\$ -	\$ -	\$ 1,427.61	
	1		<u> </u>	<u>l</u>		<u> </u>	
ALLOCATED A	LLOWANCES FR	Ом бра• Отнер	ETIET S	·			
Quantity	3,789		146	<u> </u>	T -	3,643	
Dollars	\$ 44.69		\$ 1.39		\$ -	\$ 43.30	
		<del></del>	<del> </del>				
		<del></del>	<del></del>			· · · · · · · · · · · · · · · · · · ·	<u> </u>
ALLOWANCES	FROM PURCHAS	SES:					
ALLOWANCES From Market:	FROM PURCHAS	SES:	1	T			
From Market:	FROM PURCHAS	ES:					
From Market: Quantity		- \$ -	\$ -	- \$	\$	- \$ -	
From Market: Quantity Dollars				<u> </u>		\$ - \$ -	
From Market: Quantity Dollars \$/Allowance	\$ -	- \$ -	\$ -	\$ -	\$		
From Market: Quantity Dollars \$/Allowance	\$ -	- \$ -	\$ -	\$ -	\$		
From Market: Quantity Dollars \$/Allowance From KU Quantity	\$ -	- \$ -	\$ -	\$ -	\$ - \$ -		
	\$ -	- \$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of March 2012

	Beginning Inventory	1	locations/ urchases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	niventory	1 1	urchases	(Coai ruci)		(Other Fuels)		3014	<u> </u>	mventory 1	Sale Date & Village Teals
TOTAL EMISSIO	ON ALLOWANC	ES IN IN	VENTORY.	ALL CLASSI	FICA'	TIONS					•
Quantity	7,29		0		0	0		0	Π	7,299	
Dollars	\$ 865.1			\$ -			\$		\$	865.13	
\$/Allowance		2 \$	-	\$ -			\$	-	\$		
							J		-		·
ALLOCATED A			A: COAL F	UEL							
Quantity	6,66				-			_		6,665	
Dollars	\$ 773.3	0 \$		\$	- \ \ 9	-	\$		\$	773.30	
ALLOCATED A			A: OTHER	FUELS							
Quantity	63		_		- 1	-		-		634	
Dollars	\$ 91.8	3 \$	-	\$	-   9	S -	\$		\$	91.83	
						•					
											•
ALLOWANCES	FROM PURCHA	SES:									
From Market:											
Quantity		0	0		0	0		0		0	
Dollars	\$ -	\$		\$		\$	\$		\$		·
\$/Allowance	- \$	\$	-	\$	- !	\$	\$		\$	-	
							_				
From KU:	1			}							
Quantity		0	0		0	0		0	-	0	
Dollars	- \$	\$	-	Ι Ψ		\$	\$		\$		
\$/Allowance		\$		\$	<u>-   :</u>	\$	\$		\$	-	
								•			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2012

	Beginnin Inventor		Allocations/ Purchases		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	<u> </u>											8
TOTAL EMISSI			IN INVENTOR	RY,	ALL CLASSIFIC	ATIO	NS					
Quantity		,188		0	1,034		13		0		11,141	
Dollars		3.93			\$ 1,398.85		-	\$	-	\$	14,885.08	
\$/Allowance	\$	1.34	\$ -		\$ 1.35	\$		\$		\$	1.34	
ALLOCATED A	LLOWANCES	FRO	M EPA: COAL	. FU	EL				,			
Quantity		,278	-		959		-		-	T	10,319	
Dollars		3.93	\$ -		\$ 1,398.85	\$	-	\$	-	\$	14,885.08	
ALLOCATED A	LLOWANCES		M EPA: OTHE	ER F			h .					
Quantity		910		_	75		13	<u> </u>			822	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s
Dollars	\$		\$ -	+	\$ -	\$		\$	-	\$	-	
		l				<u> </u>		l		<u>.L</u>		
ALLOWANCES	FROM PURC	HASE	ES:									
From Market:												
Quantity		0		0	0		0		0		0	
Dollars	\$	-	\$		\$	\$	-	\$	-	\$	-	
\$/Allowance	\$	- 1	\$ -		\$	\$		\$		\$	-	
From KU:	η							1		_	, , , , , , , , , , , , , , , , , , ,	
Quantity		0		0	0		0	$\vdash$	0	$\vdash$		
Dollars	\$		\$ -		\$ -	\$		\$		\$		
\$/Allowance	\$	-	\$ -		\$ -	\$		\$		\$		
	1.7				-	<u> </u>		.1		1-4		L
												·

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2012

Envi	ronmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	102,021	
10th Previous Month	148,079	
9th Previous Month	106,254	
8th Previous Month	170,289	
7th Previous Month	270,125	
6th Previous Month	174,545	
5th Previous Month	61,568	
4th Previous Month	104,274	
3rd Previous Month	130,472	52,540
2nd Previous Month	137,600	54,008
Previous Month	161,007	42,758
Current Month	108,745	51,942
Total 12 Month O&M	\$ 1,674,979	\$ 201,248

Determination of	Working (	Capital Allowance		
12 Months O&M Expenses	\$	1,674,979	\$	201,248
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8	
Pollution Control Cash Working Capital Allowance	\$	209,372	\$ 	25,156

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2012

· O&M Expense Account	Cane Run		Mill Creek	Trimble County	Total
2005 Plan .					
502056-ECR Scrubber Operations				34,405,60	34,405.60
512055-ECR Scrubber Maintenance				-	
Total 2005 Plan O&M Expenses				34,405.60	34,405.60
2006 Plan					
506159 - ECR Sorbent Injection Operation		:		1,916.85	1,916,85
506152 - ECR Sorbent Reactant - Reagent Only				7,857.61	7,857.6
512152 - ECR Sorbent Injection Maintenance				189.49	189.4
506150 - ECR Mercury Monitors Operation	1,1	05.51	2,964.76	861.85	4,932.1
512153 - ECR Mercury Monitors Maintenance		-	-	_	
502056 - ECR Scrubber Operations				10,360.07	10,360.0
512055 - ECR Scrubber Maintenance				(905,47)	(905.4
506154 - ECR NOx Operation Consumables				12,647.38	12,647.3
506155 - ECR NOx Operation Labor and Other				847.93	847.9
512151 - ECR NOx Maintenance				910.19	910.1
506051 - ECR Precipitator Operation				2,567.54	2,567.5
506151 - ECR Activated Carbon				26,475.36	26,475.3
512051 - ECR Precipitator Maintenance				6,540.78	6,540.7
Total 2006 Plan O&M Expenses	\$ 1,	.05.51	-2,964.76	70,269.58	74,339.8
2009 Plan					
502012 - ECR Landfill Operations		-		-	-
512105 - ECR Landfill Maintenance		-			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				- '	
Net 2009 Plan O&M Expenses		-			
Subtotal - Pre-2011 Plans	<del></del>	05.51 I	2.964.76 1	104,675.18	108,745.4
Subtotal - 110-2011 Halls		103.51	2,904.70	104,073.18	100,745.4
2011 Plan					
502056 - ECR Scrubber Operations					-
512055 - ECR Scrubber Maintenance			-		
506159 - ECR Sorbent Injection Operation			-	8,748.21	8,748.2
506152 - ECR Sorbent Reactant - Reagent Only			-	41,895.43	41,895.
512152 - ECR Sorbent Injection Maintenance			-	1,298.71	1,298.
506156 - ECR Baghouse Operations			-	-	-
512156 - ECR Baghouse Maintenance			-		·
506151 - ECR Activated Carbon			-	-	
Adjustment for Base Rates Baseline Amounts			-		-
Total 2011 Plan O&M Expenses			•	51,942.35	51,942
Current Month O&M Expense for All Plans	10 1	105.51   \$	2,964.76	© 156.617.55 1.0	160,687.
Current Month Octor Expense for All Plans	1,	\$ 10.CUI	2,904.76	\$ 156,617.53   \$	100,087.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Twisting CCD Discount Facilities (Day 2000 Discounts)		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	\$	d.
(1) 12 Months Ending with Expense Month		- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		·
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
(7) T + 1 C + 1 C + 1 D D + F(1) (0)		
(7) Total Generating Station Less Base Rates [(4) - (6)]		- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment C., Deep Date A., and the EG E., and 2.50)		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	-   \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2012

Third Party	O&M Expense Account	Plant	То	tal O&M
Charah Inc	501253 - ECR Fly Ash Disposal	Trimble County		5,984.55
Total Monthly	Beneficial Reuse Expense		\$	5,984.55
	Beneficial Reuse in Base Rates (from ES For Reuse O&M Expense	m 2.61)	\$	5,984.55

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense	Car	ne Run		Mill Creek		Tri	mble County		Total
					****				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)									
(1) 12 Months Ending with Expense Month	\$		\$		-	\$		\$	-
(2) Monthly Amount [(1) / 12]	\$		\$		-	\$		\$	-
2009 Plan Project 25									
(3) Monthly Amount (Expense/Revenue)	\$	_	\$		-	\$	5,984.55	\$	5,984.55
Total Beneficial Reuse - Generating Station									
(4) Monthly Expense [(2) + (3)]	\$	-	\$		-	\$	5,984.55	\$	5,984.55
Beneficial Reuse in Base Rates			<del>                                     </del>		-	<u> </u>		<u></u>	·
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	_	\$		-	\$	(210,822.06)	\$	(210,822.06)
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$		_	\$	(17,568.51)		(17,568.51)
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$			\$	23,553.06	\$	23,553.06
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	•	-	\$	17,568.51	\$	17,568.51
If Line (8) Greater than Zero, No Adjustment			-			-		<u> </u>	
If Line (8) Less than Zero, Adjustment for Base Rates									
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$		T\$		_	T \$		<b>  \$</b>	_

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY Conroy ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: March 31, 2012

			GROUP 1 (Total	Revenues) - Kentucky Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental · Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	]	Total Excluding Environmental Surcharge (7)-(6)
Apr-11	\$ 17,467,777	\$ 5,532,667	\$ 613,800	\$ 528,908	\$ 340,308	\$ 24,483,461	\$	24,143,152
May-11	17,737,681	5,602,741	. 639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12		6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
for 12 Months Endi	urisdictional Revenues, E ng Current Expense Mor	nth.					\$	31,595,784
			Surcharge for 12-months		onth =		\$	75,176,325
GROUP 1 Revenue	es as a Percentage of Tota	al Revenues for 12-mont	hs ending with the Curre	nt Month			1	42.03%

			GRC	UP 2 (Net Revenues) - I	Centucky Jurisdictional R	evenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	· (9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Apr-11	\$ 25,607,191	\$ 11,508,317	\$ 1,126,717	\$ 301,374	\$ 533,813			
May-11	27,604,702	11,911,717	1,329,618		423,072			
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917			
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421		
Aug-11	35,719,338		2,622,710	473,895	180,792			
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240			
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268			
Nov-11	24,296,515		1,586,245	293,591	79,183			
Dec-11	24,749,375	12,161,662	1,252,433	315,812				
Jan-12		13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	
Feb-12			1,559,054					
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Average Monthly Ju	urisdictional Revenues, I	Excluding Environmental	Surcharge and Fuel,					
	ng Current Expense Mor						\$ 43,580,541	\$ 28,566,944
		excluding Environmental			onth =		\$ 75,176,325	
GROUP 2 Revenue	s as a Percentage of Tot	al Revenues for 12-montl	ns ending with the Curre	nt Month			57.97%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: March 31, 2012

	T	Revenues per	R	evenues per
		Form 3.00	Inco	me Statement
Kentucky Retail Revenues	Ŀ			
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	63,473,212	\$	63,473,212
(2) Fuel Adjustment Clause	\$	3,298,260	\$	3;298,260
(3) DSM	\$	1,026,431	\$	1,026,431
(4) Environmental Surcharge	<u> </u>		\$	442,133
(5) CSR Credits			\$	(88,270)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	= \$	67,797,903		
Non -Jurisdictional Revenues				
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	8,195,051	\$	8,195,051
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	= \$	8,195,051		
(9) Total Company Revenues for Environmental Surcharge Purposes =	= \$	75,992,954		-
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	=	89.22%		
Reconciling Revenues				
(10) Brokered	\$		\$	_
(11) InterSystem (Transmission Portion Booked in Account 447)	$\perp$		\$	
(12) Unbilled			\$	2,441,281
(13) Miscellaneous			\$	1,371,186
(14) Total Company Revenues per Income Statement =			\$	80,159,283



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

May 21, 2012

RE:

RECEIVED

MAY 2 1 2012

Monthly Environmental Surcharge Report

PUBLIC SERVICE COMMISSION

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June billing cycle which begins May 31, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of April 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 117,114
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.37%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 162,996
Group 2 ES Billing Factor ES Form 1.10, line 18		0.57%

Effective Date for Billing: June billing cycle beginning May 31, 2012

omitted by:

Title: Director, Rates

Date Submitted: May 21, 2012

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of April 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR - DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Pre-20 Co	2011 Environmental Compliance Plans			
(I) RB	,	=	\$	76,563,034	\$	2,399,970	
(2) RB / 12		m	\$	6,380,253	\$	199,998	
(3) (ROR + (ROR - DR) (TR / (1 - TR)))		==		10.82%		10.37%	
(4) OE		=	\$	325,222	\$	105,079	
(5) BAS		=	\$			Not Applicable	
(6) BR		=	\$	•		Not Applicable	
(7) E(m) (2) x (3) + (4) - (5) + (6)		=	\$	1,015,565	\$	125,819	
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)			\$	1,141,384			

Calculation of Adjusted Net Jurisdictional E(m)

Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	86,27%
- Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	984,672
Adjustment for (Over)/Under-collection pursuant to	= \$	-
Prior Period Adjustment (if necessary)	=	-
Revenue Collected through Base Rates	=	704,561
Adjusted Net Jurisdictional E(m) $[(10)+(11)+(12)-(13)]$	=	280,111
	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]  Adjustment for (Over)/Under-collection pursuant to  Prior Period Adjustment (if necessary)  Revenue Collected through Base Rates	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)] = \$  Adjustment for (Over)/Under-collection pursuant to = \$  Prior Period Adjustment (if necessary) =   Revenue Collected through Base Rates =

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.81%	58,19%
(16)	Group E(m) [(14) x (15)]	= \$	117,114 \$	162,996
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,619,522 \$	28,689,907
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]		0.37%	0.57%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Computation Rate								
	Pre-2011 Enviromental Compliance Plans					Enviromenta	al Con	pliance Plan
Eligible Pollution Control Plant	\$	76,130,659			\$	-		
Eligible Pollution CWIP Excluding AFUDC		9,131,045				2,361,696		
Subtotal			\$	85,261,704			\$	2,361,696
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		14,147						
Cash Working Capital Allowance		208,105				38,274		
Subtotal				222,252			•	38,274
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		5,072,222				-		
Pollution Control Deferred Income Taxes		3,848,700				-		
Subtotal				8,920,922				-
Environmental Compliance Rate Base			\$	76,563,034			\$	2,399,970

**Determination of Pollution Control Operating Expenses** 

Determination of Fondion Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 91,880	\$ 104,944
Monthly Depreciation & Amortization Expense	236,646	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,511	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 325,222	\$ 105,079

Determination of Beneficial Reuse Operating Expenses

	Environme	ental
	Compliance	Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total		ount in	Ī.,	Net
	Proceeds	Bas	Base Rates		Proceeds
	(1)		(2)		(1) - (2)
Allowance Sales	\$ -	\$	-	\$	_
Scrubber By-Products Sales	-		-		-
Total Proceeds from Sales	\$ -	\$	-	\$	-

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2012

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service	Ac	Eligible cumulated epreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2012	Monthly ITC Amortization Credit		Monthly Depreciation Expense	Pr	Monthly operty Tax Expense
	<del>i -</del>						_	(2)-(3)+(4)	_			_			
					<del>                                     </del>			(2) (3) (1)	_			<del>}                                    </del>			
2005 Plan:									1						
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,818,430		514,881		2,725	\$	4,306,274		643,900		\$	10,067		544
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	5,595,065	\$	458,169		-	\$	5,136,896		368,813		\$	10,300		646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$	850,100		133,190		-	\$	716,910	\$	115,480		\$	2,564	\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507	\$	63,148	\$	-	\$	245,360	\$	20,646		\$	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$	-	\$	· -		\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,608,849	\$	-	\$	5,752,228	\$	1,348,794		\$	22,206	\$	730
   Subtotal	\$	18,933,180	\$	2,778,238	\$	2,725	\$	16,157,668	\$	2,497,633		\$	46,283	\$	2,042
Less Retirements and Replacement resulting				, ,		,,				, , , , , , , , , , , , , , , , , , , ,			,	l [']	
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	· . •	\$	(1,551,534)	\$	(384,695)		\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	\$	16,412,315	\$	1,808,906	\$	2,725	\$	14,606,134	\$	2,112,938		\$	41,030	\$	1,848
					Г				Π			Π			
2006 Plan:					Ι.				١.			١.			
Project 18 - TC2 AQCS Equipment	\$	44,236,424		2,360,001		373,065	\$	42,249,487		1,010,635	\$ 14,527		155,174		5,303
Project 19 - Sorbent Injection	\$	3,440,076		405,717		-	\$	3,034,359		380,526		\$	9,777		384
Project 20 - Mercury Monitors	\$	2,050,346		317,435		-	\$	1,732,911		70,741		\$	8,867		221
Project 21 - Mill Creek Opacity and Particulate Monitors	\$	397,151	\$	88,190	\$	-	\$	308,961	\$	79,870	:	\$	1,361	\$	39
Subtotal	\$	50,123,997	s	3,171,344	\$	373,065	\$	47,325,718	\$	1,541,772	\$ 14,527	<b>S</b>	175,178	\$	5,947
Less Retirements and Replacement resulting				•		,		, .	1		-	1	•	l	•
from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$	-	\$	-	\$ -	\$	-	\$	
Net Total - 2006 Plan:	\$	50,123,997	S	3,171,344	I s	373,065	T.S	47,325,718	T S	1,541,772	\$ 14,527	\ <u>\</u> \$	175,178	S	5,947
Total accounts.			1	5,171,511	Ť	273,002	1	17,525,7,10	Ť	1,5 /1,7 /2	1,,527	Ť	1,5,1,0	Ť	3,7.1
2009 Plan:							1								
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	\$	-	\$	-	\$	1,177,752	\$	1,177,752	\$	-		\$	_	\$	180
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,594,347	\$	91,972	\$	(56,208)	) \$	9,446,167	\$	193,990		\$	20,438	\$	1,198
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$		\$		\$	4,893,466		4,893,466		´-		\$	´-	\$	400
Project 25 - Beneficial Reuse	\$	-	\$	-	\$	2,740,245		2,740,245		-		\$	-	\$	138
Subtotal	\$	9,594,347	\$	91,972	15	8,755,255	1 8	18,257,630	1.\$	193,990		18	20,438	\$	1,917
Less Retirements and Replacement resulting	"	-,,-11		, 1,,,,,	1	0,.20,200	1	10,25 ,,050	1	.,,,,,		1	20,750	1	*,>*,
from implementation of 2009 Plan	\$	-	\$	-	\$	-	\$	_	\$	-		\$	-	\$	-
Net Total - 2009 Plan;	l Is	9,594,347	I S	91,972	18	8,755,255	1.8	18,257,630	18	193,990	<del> </del>	S	20,438	1.8	1,917
A TOTAL BOOK A MALL	+	7,371,371	<del>                                     </del>	71,712	+	0,133,233	+	10,237,030	+	173,990		+-	20,430	1	1,517
Subtotal - Pre-2011 Plans:	\$	76,130,659	\$	5,072,222	\$	9,131,045	\$	80,189,483	\$	3,848,700	\$ 14,527	\$	236,646	\$	9,712
	T T		1		1		T		T			$\top$		1	

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2012

(1)	(2)		(3)	(	(4)	(5)		(6)	(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation	An Excl	WIP nount cluding TUDC	Eligible Net Plant In Service	Tao	eferred c Balance as of 30/2012	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	Pro	Monthly operty Tax Expense
						(2)-(3)+(4)							
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ - \$ -	\$ \$	-	\$ \$	2,269,966 91,729 2,361,696	\$ 2,269,966 91,729 2,361,696	\$	-		\$ \$ \$	- - -	\$ \$	135 1 135
Net Total - 2011 Plan;	\$ -	\$		\$	2,361,696	\$ 2,361,696	\$	-	\$ -	\$		\$	135
Net Total - All Plans:	\$ 76,130,65	9 \$	5,072,222	\$	11,492,741	\$ 82,551,179	\$	3,848,700	\$ 14,52	7   \$	236,646	\$	9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Inventory of Emission Allowances** 

For the Month Ended: April 30, 2012

Vintage Year	Nun	nber of Allowand	ces	Tota	al Dolla	ar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	148,752	10,010	7,299	\$ 1,416.72	\$	13,374.00	\$ 865.13	
2013	62,379							
2014	62,379							
2015	62,379		-					
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032 - 2041	623,790				<u></u>			

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of April 2012

		ginning	Allocat		Utilized		Utilized				Ending	Allocation, Purchase, or
	In	ventory	Purch	ases	(Coal Fuel)	<u> </u>	(Other Fuels)	Sol	d	<u> </u>	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALL	OWANCES	S IN INVE	NTORY	, ALL CLASSIFIC	CATIO	NS					
Quantity		154,442		0	5,690		0		0		148,752	
Dollars	\$	1,470.91			\$ 54.19	\$	-	\$	-	\$	1,416.72	
\$/Allowance	\$	0.01	\$		\$ 0.01	\$	-	\$	-	\$	0.01	
ALLOCATED A	LLOWA		M EPA: (	COALF								
Quantity		150,799			5,613						145,186	
Dollars	\$	1,427.61	\$		\$ 53.46	\$	<del>-</del>	\$		\$	1,374.15	
			<u> </u>		<u></u>			<u> </u>		<u>.                                    </u>	l	
ALLOCATED A	LLOWA		OM EPA:							1	2.56	
Quantity		3,643	L	-	77		-		-	1	3,566	
										-		
Dollars	\$	43.30	\$	-	\$ 0.73	\$		\$		\$	42.57	
Dollars	\$	43.30	\$	-	\$ 0.73	\$		\$	***	\$	42.57	
					\$ 0.73	\$		\$	-	\$	42.57	
ALLOWANCE					\$ 0.73	\$		\$		\$		
ALLOWANCES From Market:		PURCHAS				\$		\$		\$		
ALLOWANCE: From Market: Quantity	FROM	PURCHAS -	ES:		-				_			
ALLOWANCE: From Market: Quantity Dollars	S FROM	PURCHAS	ES:		\$ -	\$		\$	-	\$	-	
ALLOWANCES From Market:	FROM	PURCHAS - -	ES:		- \$		· · · · · · · · · · · · · · · · · · ·		_			
ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM	PURCHAS - -	ES:		\$ -	\$	· · · · · · · · · · · · · · · · · · ·	\$	-	\$	-	
ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU	S FROM	PURCHAS - -	ES:		\$ -	\$	· · · · · · · · · · · · · · · · · · ·	\$	-	\$	-	
ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU Quantity	S FROM  \$ \$	PURCHAS - - -	ES:   \$   \$   \$		\$ - \$ -	\$ \$	- - -	\$ \$		\$ \$	-	
ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU	S FROM	PURCHAS - - -	ES:		-   \$ -   \$ -	\$		\$		\$		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of April 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,299	0	0	0	0		
Dollars	\$ 865.13		\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	-	\$ -	\$ 0.12	
	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	6,665					6,665	
Dollars	\$ 773.30		\$ -	-	\$ -	\$ 773.30	
		<u> </u>		<u> </u>			
			•				
	ALLOWANCES FRO	OM EPA: OTHER	FUELS		A-1		
Quantity	634	-	-	-	-	634	
	\$ 91.83	\$ -	\$ -	\$	\$ -	\$ 91.83	
Dollars	\$ 91.83	\$ -	\$ -	\$	\$ -	\$ 91.83	
Dollars			\$ -	\$	\$ -	\$ 91.83	
Dollars  ALLOWANCE	\$ 91.83 S FROM PURCHAS		\$ -	\$	\$ -	\$ 91.83	
Dollars  ALLOWANCE From Market:	S FROM PURCHAS	ES:					
ALLOWANCE From Market: Quantity	S FROM PURCHAS	ES:	0	0	0	0	
ALLOWANCE From Market; Quantity Dollars	S FROM PURCHAS  0 \$ -	ES: 0 s -	0	0 \$	0 \$ -	0 \$ -	
Dollars  ALLOWANCE	S FROM PURCHAS	ES:	0	0	0	0	
ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PURCHAS  0 \$ -	ES: 0 s -	0	0 \$	0 \$ -	0 \$ -	
ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU:	S FROM PURCHAS  0 \$ - \$ -	ES: 0   \$ -   \$ -	0 \$ - \$ -	\$ - \$ -	0 \$ - \$	0 \$ - \$ -	
ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity	S FROM PURCHAS  0 \$ - \$ -	ES: 0   \$ -   \$ -	0 \$ - \$ -	\$ -	0 \$ - \$ -	0 \$ - \$ -	
ALLOWANCE From Market; Quantity Dollars	S FROM PURCHAS  0 \$ - \$ -	ES: 0   \$ -   \$ -	0 \$ - \$ -	\$ - \$ -	0 \$ - \$	0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	11,141				0	10,010	
Dollars	\$ 14,885.08		\$ 1,511.08		\$	\$ 13,374.00	
\$/Allowance	\$ 1.34	\$ -	\$ 1.40		\$ -	\$ 1.34	
ATTOCATED AT	Y OWN A NOW CERT TO	OMERA COAYE	TE TENE				
Quantity	10,319	OM EPA: COAL F	1,025	T		9,294	
Dollars	\$ 14,885.08		\$ 1,511.08		\$ -	\$ 13,374.00	
Dullais	14,005.00	Ψ -	φ 1,511.06	<u> </u>		φ 13,374.00	
			<u> </u>	<del></del>			
ALLOCATED AI	LOWANCES FR	OM EPA: OTHER					
Quantity	822	-	55	51	-	716	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
ALLOWANCES I	FROM PURCHAS	SES:					
From Market:							
Quantity	0	0	0	0		-0	
Dollars	\$ -			\$		-	
\$/Allowance	\$ -	\$ -		\$		-	
			_		·		
From KU:							
Quantity	0						
	\$ -	\$ -	\$ -	\$ -	-	-	
Dollars \$/Allowance	-				- \$	\ <b>\$</b> -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2012

En	vironmental Complianc	e Plan		
O&M Expenses	Pre-201	1 Plans Amount	2011	Plan Amount
11th Previous Month	\$	148,079		
10th Previous Month		106,254		
9th Previous Month		170,289		
8th Previous Month		270,125		
7th Previous Month		174,545		
6th Previous Month		61,568		
5th Previous Month		104,274		
4th Previous Month		130,472		52,540
3rd Previous Month		137,600		54,008
2nd Previous Month		161,007		42,758
Previous Month		108,745		51,942
Current Month		91,880		104,944
Total 12 Month O&M	\$	1,664,839	\$	306,192

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,664,839	\$		306,192					
One Eighth (1/8) of 12 Month O&M Expenses	•	1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	208,105	\$		38,274					

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2012

O&M Expense Account	Cane R	un	Mill Creek	Trimble County	Total
2006 Di	•				
2005 Plan 502056-ECR Scrubber Operations				44,731.58	44,731.58
512055-ECR Scrubber Maintenance					++,/51.50
Total 2005 Plan O&M Expenses				44,731,58	44,731.58
2006 Plan			,		
506159 - ECR Sorbent Injection Operation				1,386.63	1,386.63
506152 - ECR Sorbent Reactant - Reagent Only				_	
512152 - ECR Sorbent Injection Maintenance				1,719.06	1,719.06
506150 - ECR Mercury Monitors Operation		(22.44)	(60.19)	1,388.76	1,306.13
512153 - ECR Mercury Monitors Maintenance		-		- 1	
502056 - ECR Scrubber Operations				<u> </u>	-
512055 - ECR Scrubber Maintenance				28,024.99	28,024.99
506154 - ECR NOx Operation Consumables				-	-
506155 - ECR NOx Operation Labor and Other				1,061.51	1,061.51
512151 - ECR NOx Maintenance				892.94	892.94
506051 - ECR Precipitator Operation			_	1,760.46	1,760.46
506151 - ECR Activated Carbon			_		
512051 - ECR Precipitator Maintenance				10,997.17	10,997.17
Total 2006 Plan O&M Expenses	\$	(22.44)	(60.19)	47,231.52	47,148.89
2009 Plan					
502012 - ECR Landfill Operations				-	
512105 - ECR Landfill Maintenance		<del>-</del> .		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				-	-
Net 2009 Plan O&M Expenses					
Subtotal - Pre-2011 Plans		(22.44)	(60.19)]	91,963.10	91,880,47
Subtotal - F16-2011 Flans		(22.44)	(00.19)	71,703.10	71,860.47
2011 Plan					
502056 - ECR Scrubber Operations			-		-
512055 - ECR Scrubber Maintenance					
506159 - ECR Sorbent Injection Operation				6,431.85	6,431,85
506152 - ECR Sorbent Reactant - Reagent Only				98,178.80	98,178.80
512152 - ECR Sorbent Injection Maintenance			_	333.44	333,44
506156 - ECR Baghouse Operations				333.11	333.11
512156 - ECR Baghouse Maintenance				-	
506151 - ECR Activated Carbon					
Adjustment for Base Rates Baseline Amounts					-
Total 2011 Plan O&M Expenses				104,944.09	104,944.09
Current Month O&M Expense for All Plans	1\$	(22.44) 5	(60,19)	\$ 196,907.19   \$	196,824.56

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	6	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	- \$
(6) Monthly Expense Amount [(5) / 12]	- \$	- \$
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	- \$
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2012

Third Party	O&M Expense Account	Plant	Total O&M
	· · · · · · · · · · · · · · · · · · ·		
Total Monthly Be	neficial Reuse Expense		\$ -
	eneficial Reuse in Base Rates (from ES Form 2.6	51)	\$ -
Net Beneficial Re	use O&M Expense	•	\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense	Car	ne Run		Mill Creek	Trimbl	e County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			<u> </u>				
(1) 12 Months Ending with Expense Month	\$		\$	<b>-</b>	\$		\$ -
(2) Monthly Amount [(1) / 12]	\$	-	\$		\$		\$ -
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	_	\$		\$ -
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$		\$	-	\$ -
Beneficial Reuse in Base Rates					<b>-</b>		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	_	\$	-	\$	_	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	_	\$	_	\$ .
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	<u>-</u>	\$	-	\$		\$
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$	-	\$	-	\$
If Line (8) Greater than Zero, No Adjustment		•	-				
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	<u> </u>		T \$	-	T \$		1\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY Conroy ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: April 30, 2012

			GROUP 1 (Total	Revenues) - Kentucky Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	E	Total Excluding invironmental Surcharge (7)-(6)
May-11	\$ 17,737,681	\$ 5,602,741	\$ 639,978	\$ 534,474	\$ 243,308	\$ 24,758,182	\$	24,514,873
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,011
Average Monthly Ju	risdictional Revenues, E	Excluding Environmental	Surcharge,					•
for 12 Months Endi	ng Current Expense Mor	nth.					\$	31,619,522
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Mo	onth =		\$	75,632,473
GROUP 1 Revenue	s as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.81%

			GRC	OUP 2 (Net Revenues) - F	Centucky Jurisdictional R	Levenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
May-11	\$ 27,604,702	\$ 11,911,717	\$ 1,329,618	\$ 317,400	\$ 423,072	\$ 41,586,510	\$ 41,163,439	\$ 27,922,103
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917	\$ 49,712,979		
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421	\$ 49,259,568	\$ 32,083,031
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186
Jan-12		13,394,478	1,571,373	403,116	156,181		\$ 42,028,639	\$ 27,062,789
Feb-12		11,327,521	1,559,054	369,836	157,709		\$ 36,928,326	\$ 24,041,750
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Apr-12		13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117
		Excluding Environmental	Surcharge and Fuel,					
	ng Current Expense Mor						\$ 44,012,951	
		excluding Environmental			onth =		\$ 75,632,473	
GROUP 2 Revenue	es as a Percentage of Tota	al Revenues for 12-month	s ending with the Curre	nt Month			58.19%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: April 30, 2012

			Revenues per		venues per
			Form 3.00	Inco	ne Statement
Kentucky Retail Revenues					
(1) Base Rates (Customer Charge, Energy	Charge, Demand Charge)	\$	62,940,813	\$	62,940,813
(2) Fuel Adjustment Clause		\$	4,024,769	\$	4,024,769
(3) DSM		\$	1,194,956	\$	1,194,956
(4) Environmental Surcharge				\$	371,815
(5) CSR Credits				\$	(89,096)
(6) Total Kentucky Juriso	dictional Revenues for Environmental Surcharge Purposes =	\$	68,160,538		
Non -Jurisdictional Revenues	·				
(7) InterSystem (Total Less Transmission	Portion Booked in Account 447)	\$	10,846,289	\$	10,846,289
(8) Total Non-Juriso	dictional Revenues for Environmental Surcharge Purposes =	\$	10,846,289		
(9) Total C	Company Revenues for Environmental Surcharge Purposes =	\$	79,006,827		
Juriso	lictional Allocation Ratio for Current Month [(5)/(8)] =		86.27%		
Reconciling Revenues					
(10) Brokered		\$	<i>_</i>	\$	
(11) InterSystem (Transmission Portion B	ooked in Account 447)		1	\$	
(12) Unbilled		l		\$	(3,412,778)
(13) Miscellaneous				\$	1,343,150
(14) Total Company Rev	venues per Income Statement =			\$	77,219,918

Conroy



JUN 19 2012 PUBLIC SERVICE COMMISSION

Louisville Gas and

**Electric Company** 

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

220 West Main Street

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602

June 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July billing cycle which begins June 29, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of May 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$	184,417
Group 1 ES Billing Factor ES Form 1.10, line 18	=		0.58%
GROUP 2 (Net Revenue)		· ·	
Group 2 E(m) ES Form 1.10, line 16	=	\$	254,672
Group 2 ES Billing Factor ES Form 1.10, line 18	=		0.89%

Effective Date for Billing: July billing cycle beginning June 29, 2012

Submitted by:

Title: Director, Rates

Date Submitted: June 19, 2012

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of May 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR - DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

1		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans			
(1) RB	= \$	76,671,169	\$	5,268,700		
(2) RB / 12	= \$	6,389,264	\$	439,058		
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	===	10.82%		10.37%		
(4) OE	· = · \$	382,863	\$	146,819		
(5) BAS	= \$	-	Not	Applicable		
(6) BR	= \$	-	Not	Applicable		
(7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	1,074,181	\$	192,349		
(8) Total $E(m) = sum \text{ of Pre-2011 } E(m) + 2011 E(m)$	\$	1,266,530				

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	92.09%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) x (9)]$	=	\$ 1,166,347
(11)	Adjustment for (Over)/Under-collection pursuant to	=	\$ -
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	727,258
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	439,089

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.00%	58.00%
(16)	Group E(m) [(14) x (15)]	= \$	184,417	254,672
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	31,958,722 \$	28,638,103
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.58%	0.89%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2012

Determination of Environmental Compliance Rate Base

·	Pre	-2011 Envirome	ntal C	Compliance Plans	2011 Enviromental Compliance Plan				
Eligible Pollution Control Plant	\$	76,130,659			\$	-			
Eligible Pollution CWIP Excluding AFUDC		9,606,192	de		5,21	2,090			
Subtotal			\$	85,736,851			\$	5,212,090	
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		13,404							
Cash Working Capital Allowance		208,207	1.		5	6,610			
Subtotal	- Contract			221,611				56,610	
Deductions:	155								
Accumulated Depreciation on Eligible Pollution Control Plant		5,314,121		*		-			
Pollution Control Deferred Income Taxes		3,973,172	2567			-			
Subtotal				9,287,293				-	
Environmental Compliance Rate Base			\$	76,671,169			\$	5,268,700	

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental	2011 Environmental
		Compliance Plan
Monthly Operations & Maintenance Expense	\$ 148,897	\$ 146,684
Monthly Depreciation & Amortization Expense	236,646	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,135	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 382,863	\$ 146,819

Determination of Beneficial Reuse Operating Expenses

· · · · · · · · · · · · · · · · · · ·	Enviro	onmental
	Compli	ance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total oceeds	1	ount in Rates	Р	Net roceeds	
	(1)		(2)	(1) - (2)		
Allowance Sales	\$ -	\$	-	\$	-	
Scrubber By-Products Sales	-		-		-	
Total Proceeds from Sales	\$ -	\$	-	\$		

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2012

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2012	ITC	Monthly C Amortization Credit	Ι	Monthly Depreciation Expense	I	Monthly Property Tax Expense
•		17-10-10-10-10-10-10-10-10-10-10-10-10-10-						(2)-(3)+(4)								
		,														
2005 Plan:	- 1		1													
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,818,430		524,948	\$	63,805	\$		\$	646,595			\$	10,067	\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	5,595,065		468,469	\$	-	\$		\$	374,390			\$		\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$	850,100	\$	135,755	\$	-	\$		\$	117,435			\$	2,564	\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507	\$	64,294	\$		\$	244,213	\$	20,738			\$	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$	_	\$	-			\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,631,055	\$	· -	\$	5,730,022	\$	1,365,072			\$	22,206	\$	730
Subtotal	\$	18,933,180	1 8	2,824,521	•	63,805	<b>Q</b>	16,172,464	\ \	2,524,231			\$	46,283	· ·	2,042
Less Retirements and Replacement resulting	"	10,555,100	"	2,024,321	۳	05,005	۳	10,172,404	1 "	2,327,231			Ψ	40,203	١٣	2,042
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	•	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	\$	16,412,315	\$	1,855,189	\$	63,805	\$	14,620,931	\$	2,139,535			\$	41,030	\$	1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal	\$ \$ \$	44,236,424 3,440,076 2,050,346 397,151 50,123,997	\$ \$ \$	2,515,175 415,494 326,302 89,551	\$ \$ \$	438,776 - - - - 438,776	\$ \$ \$	42,160,025 3,024,583 1,724,044 307,600	\$ \$ \$	1,084,676 388,850 71,790 79,829		14,527	\$ \$ \$	155,174 9,777 8,867 1,361	\$ \$ \$	5,303 384 221 39
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	s	-1,210,232	\$	1,023,143	\$	-	\$	-	s	-
Net Total - 2006 Plan:	\$	50,123,997	\$	3,346,522	\$	438,776	\$	47,216,252	\$	1,625,145	\$	14,527	\$	175,178	\$	5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - -	\$ \$ \$	- 112,410 - -	\$ \$ \$	1,183,078 37,582 5,130,758 2,752,192	\$	. 1,183,078 9,519,519 5,130,758 2,752,192	\$	 208,492 - -			\$ \$ \$	- 20,438 - -	\$ \$ \$	180 1,198 400 138
Subtotal	\$	9,594,347	\$	112,410	\$	9,103,610	\$	18,585,547	\$	208,492	T		\$	20,438	\$	1,917
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	\$	-	\$	_	\$	-	\$	-			\$	-	\$	-
Net Total - 2009 Plan:	\$	9,594,347	\$	112,410	\$	9,103,610	\$	18,585,547	\$	208,492			\$	20,438	\$	1,917
			Ţ													
Subtotal - Pre-2011 Plans:	\$	76,130,659	\$	5,314,121	\$	9,606,192	\$	80,422,730	\$	3,973,172	\$	14,527	\$	236,646	\$	9,712
	ı		1		1		1		1	•	1		1		1	

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 5/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 5,055,456 \$ 156,633		l .		s - s -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	\$ - \$ -	\$ 5,212,090 \$	\$ 5,212,090 \$ -	\$ - \$ -		\$ - \$ -	\$ 135 \$ -
Net Total - 2011 Plan:		-	\$ 5,212,090	\$ 5,212,090	-	-	-	\$ 135
Net Total - All Plans:	\$ 76,130,659	\$ 5,314,121	\$ 14,818,281	\$ 85,634,819	\$ 3,973,172	\$ 14,527	\$ 236,646	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2012

Vintage Year	Nur	nber of Allowan	ces	Tota	al Dollar Value Of	Vintage \	ear ·	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx		NOx	
		Annual	Ozone Season		Annual		Ozone Season	
Current Year	141,980	8,661	5,950	\$ 1,352.22	\$ 1:	2,761.35	\$ 705.24	
2013	62,379							
2014	62,379							
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
· 2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379				<u> </u>			
2032 - 2041	623,790							·

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of May 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
						· · · · · · · · · · · · · · · · · · ·	
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	148,752			0		0 141,980	
Dollars	\$ 1,416.72		\$ 64.50		\$ -	\$ 1,352.22	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	-	\$ -	\$ 0.01	
	LLOWANCES FRO						·
Quantity	145,186		6,635			138,551	
Dollars	\$ 1,374.15	\$ -	\$ 63.20	\$ -	\$ -	\$ 1,310.95	
		1.					
	~ ~ ~~~						
	LLOWANCES FR				· · · · · · · · · · · · · · · · · · ·		
Quantity	3,566		137	-	-	3,429	
Dollars	\$ 42.57		\$ 1.30		\$ -	\$ 41.27	
ATTOWANCES	FROM PURCHAS	EC.	•				
From Market:	TROM FUNCTIAS		T	1			T
Quantity		· -			<del> </del>		
Dollars	s -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4.1 mo manoo		1 *	17	1*	1 *		
From KU			T	T			
Quantity	-	_	_	-	_	_	
Dollars	- s	\$ -	- s	\$ -	- s	- S -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<del></del>
		1 -	.⊥-		, ,		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2012

Inventory		Utilized	Utilized		4	Ending	Allocation, Purchase, or
	Purchases	(Coal Fuel)	(Other Fuels)	Sold		Inventory	Sale Date & Vintage Years
ON ALLOWANCE	ES IN INVENTOR	Y, ALL CLASSIFI	CATIONS				
7,299	)	1,304	4:	5	0	5,950	
\$ 865.13	\$ \$ (0.00	0) \$ 154.56	5 \$ 5.33	3 \$ -	\$	705.24	
\$ 0.12	2 \$ -	\$ 0.12	2 \$ 0.12	2 \$ -	\$	0.12	
							•
						,	
<del></del>							
\$ 773.30	) \$ 16.6	8 \$ 147.45	5   \$ -	\$ -	\$	642.53	Adjustment to reallocate allowance values based on unit cost
L							
T OXYLANORO EN	OMETER OFFI	o exter o					
				- 1		500	
\$ 91.83	5 5 (10.0	8) \$ 7.11	1 \$ 5,3	3 3 -	13	62.71	Adjustment to reallocate allowance values based on unit cost
.1	1						
FROM PURCHA	SES.						
T CAROLLA	T T		1		T .		
1	)	0	0	0	0	. 0	
\$ -	\$ -	\$ -		\$ -	\$		
\$ -	\$ -	\$ -	\$ -	\$ -	\$	_	
					·		
	0	0	0	0	0	0	
\$ -	\$ -	\$ -	\$ -	\$ -	\$		
\$ -	\$ -	\$ -	\$ -	\$ -	\$	_	
							**
			•				
	7,299 \$ 865.13 \$ 0.12  LOWANCES FR	7,299 0.00 \$ 865.13 \$ (0.00 \$ 0.12 \$ -  LOWANCES FROM EPA: COAL 6,665 - \$ 773.30 \$ 16.6  LOWANCES FROM EPA: OTHE 634 - \$ 91.83 \$ (16.6  FROM PURCHASES:  0 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	7,299 0 1,304 \$ 865.13 \$ (0.00) \$ 154.56 \$ 0.12 \$ - \$ 0.12  LOWANCES FROM EPA: COAL FUEL  6,665 - 1,244 \$ 773.30 \$ 16.68 \$ 147.42  LLOWANCES FROM EPA: OTHER FUELS  634 - 66 \$ 91.83 \$ (16.68) \$ 7.11  FROM PURCHASES:  0 0 0 0 \$ - \$ - \$ - \$ - \$ \$ - \$ - \$ - \$ \$ - \$ -	\$ 865.13 \$ (0.00) \$ 154.56 \$ 5.33 \$ 0.12 \$ - \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12 \$ 0.12	7,299	7,299	7,299

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of May 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	10,010	0	1,304	45	0	8,661	
Dollars	\$ 13,374.00	\$ 1,375.00	\$ 1,987.65	\$ -	\$ -	\$ 12,761.35	
\$/Allowance	\$ 1.34	\$ -	\$ 1.52	\$ -	\$ -	\$ 1.47	
							•
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	9,294	(50)		<u> </u>	-		Inter-plant transfer of allowances (50)
Dollars	\$ 13,374.00	\$ -	\$ 1,987.65	-	\$ -	\$ 12,761.35	
	LLOWANCES FRO			45	Т = = =	661	Inter-plant transfer of allowances (50)
Quantity	LLOWANCES FROM	50	60	45 \$ -			Inter-plant transfer of allowances (50)
	716	50		\$ -	Ф		Inter-plant transfer of allowances (50)
Quantity Dollars	716 \$ -	\$ -	60				Inter-plant transfer of allowances (50)
Quantity Dollars  ALLOWANCES	716	\$ -	60		\$ -		Inter-plant transfer of allowances (50)
Quantity Dollars  ALLOWANCES From Market:	716 \$ - FROM PURCHAS	\$ 50 \$ -	60		\$ -		Inter-plant transfer of allowances (50)
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PURCHAS	50 \$ -	60		\$ -		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	716 \$ - FROM PURCHAS 0 \$ -	50 \$ - ES: 0 \$ 1,375.00	60 \$ -	0	0	0 \$ -	Inter-plant transfer of allowances (50)  Brokerage fee related to Jan 2012 allowance purchase
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PURCHAS	50 \$ -	60	0		0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	716 \$ - FROM PURCHAS 0 \$ -	50 \$ - ES: 0 \$ 1,375.00	60 \$ -	0	0	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	716 \$	ES:  0 \$ 1,375.00	0 \$ -	0 \$ -	0 \$ -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURCHAS  0 \$ -	ES: 0 \$ 1,375.00	0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	716 \$	ES:  0 \$ 1,375.00	0 \$ -	0 \$ -	0 \$ -	0 \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2012

En	vironmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 106	,254
10th Previous Month	170.	,289
9th Previous Month	270,	,125
8th Previous Month	174,	,545
7th Previous Month	61,	,568
6th Previous Month	104,	,274
5th Previous Month	130,	,472 52,540
4th Previous Month	137,	,600 54,008
3rd Previous Month	161,	,007 42,758
2nd Previous Month	108,	,745 51,942
Previous Month	91,	,880 104,944
Current Month	148,	,897 146,684
Total 12 Month O&M	\$ 1,665,	,657 \$ 452,876

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	1,665,657	\$		452,876				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8					
Pollution Control Cash Working Capital Allowance	\$	208,207	\$		56,610				

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2012

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan				
502056-ECR Scrubber Operations		: 20	86,331.01	86,331.01
512055-ECR Scrubber Maintenance			-	
Total 2005 Plan O&M Expenses		and a second second	86,331.01	86,331.01
.006 Plan				
506159 - ECR Sorbent Injection Operation		TO LEE OF THE SERVE	1,947,22	1,947.22
506152 - ECR Sorbent Reactant - Reagent Only		시 : [ 시 : [ ] [ ]	-	-
512152 - ECR Sorbent Injection Maintenance			988.07	988.0
506150 - ECR Mercury Monitors Operation	(247,51)	(663.76)	2,124,23	1,212.9
512153 - ECR Mercury Monitors Maintenance		<b>-</b>		_
502056 - ECR Scrubber Operations		44	_	-
512055 - ECR Scrubber Maintenance		<u> </u>	8,522.54	8,522.5
506154 - ECR NOx Operation Consumables		4	-	-
506155 - ECR NOx Operation Labor and Other			830.25	830.2
512151 - ECR NOx Maintenance		# P	1,966.72	1,966.7
506051 - ECR Precipitator Operation			1,786.49	1,786.4
506151 - ECR Activated Carbon			5,163.34	~ 5,163.3
512051 - ECR Precipitator Maintenance			40,148.55	40,148.5
Total 2006 Plan O&M Expenses	\$ (247.51	) (663.76)	63,477.41	62,566.1
•	7			
2009 Plan				
502012 - ECR Landfill Operations			-	
512105 - ECR Landfill Maintenance	-	_	-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses				-
Subtotal - Pre-2011 Plans	(247.51	.)  (663.76)	149,808.42	148,897.1
2011 7				
2011 Plan 502056 - ECR Scrubber Operations	•			
512055 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance			_	
506159 - ECR Scrubber Maintenance 506159 - ECR Sorbent Injection Operation			10,245,57	10.245.
506152 - ECR Sorbent Injection Operation 506152 - ECR Sorbent Reactant - Reagent Only		-	136,130.17	136,130.
512152 - ECR Sorbent Injection Maintenance		-	307.94	307.
506156 - ECR Baghouse Operations			307.94	301.
512156 - ECR Baghouse Operations 512156 - ECR Baghouse Maintenance				
506151 - ECR Activated Carbon			<del>-</del> -	
Adjustment for Base Rates Baseline Amounts				
Total 2011 Plan O&M Expenses			146,683,68	146,683.
Total 2011 I fall Occivi Dybolisos			170,003.00	1-10,005.
Current Month O&M Expense for All Plans	\$ (247.5)	1)  \$ (663.76)	\$ 296,492.10   \$	295,580.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station	·	
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		-  \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M					
	<del></del>							
	· · · · · · · · · · · · · · · · · · ·							
<u> </u>								
		<del></del>						
Total Monthly Benef	icial Reuse Expense		-					
	ficial Reuse in Base Rates (from ES Form	2.61)						
Net Beneficial Reuse	Net Beneficial Reuse O&M Expense							

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense		Cane Run Mill Creek			Trimble County		Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)	<u> </u>		T -		T			
(1) 12 Months Ending with Expense Month	\$	-	\$	-	\$		\$ -	
(2) Monthly Amount [(1) / 12]	\$	-	\$	_	\$	-	\$ -	
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$		\$	-	\$	-	\$ -	
Total Beneficial Reuse - Generating Station								
(4) Monthly Expense [(2) + (3)]	\$	_	\$	_	\$	-	\$ -	
Beneficial Reuse in Base Rates								
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$	-	\$	_	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	_	\$	-	\$ -	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	=	\$	-	\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	-	\$	-	\$ -	
If Line (8) Greater than Zero, No Adjustment		-						
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$		<b>T</b> \$		T \$		-	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY Conroy

#### ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2012

		GROUP 1 (Total Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(3) (4) (5) (6) (7)							(8)			
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Cl Reven	. 1		DSM Revenues		Environmental Surcharge Revenues	(2)	Total +(3)+(4)+(5)+(6)		Total Excluding Environmental Surcharge (7)-(6)
Jun-11		\$ 8,665,166		,773,309	\$	1,016,250	\$	523,262	\$	37,124,023	\$	36,600,762
Jul-11	29,070,447	11,111,091		2,093,173		1,210,544		639,187	\$	44,124,443	\$	43,485,256
Aug-11	33,399,998	12,974,166		1,968,910		1,417,659		91,996	\$	49,852,729	\$	49,760,733
Sep-11	26,354,514	9,870,751		1,052,813		1,075,015		73,129	\$	38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112		579,003		615,870		45,322	\$	23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290		753,833		574,844		47,672	\$	22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406		692,251	L	725,481	<u> </u>	70,722	\$	27,328,743	\$_	27,258,021
Jan-12	22,522,340	8,201,363		994,616		859,027	L	123,538	\$	32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301		1,044,463		770,918		127,119	\$	29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675		1,136,442		662,394		176,476	\$	26,549,074	∙\$	26,372,598
Apr-12	16,915,354	5,576,596		1,219,782		716,279	<u> </u>	136,901	\$	24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696		1,648,718		859,218		174,319	\$	28,759,586	\$	28,585,267
Average Monthly Ju	urisdictional Revenues, E	excluding Environmental	Surcharge,									
	ing Current Expense Mor										\$	31,958,722
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for	12-months	ending	g with Current Mo	onth:	=			\$	76,085,417
GROUP 1 Revenue	es as a Percentage of Tota	al Revenues for 12-mont	hs ending with	the Curren	it Mont	th						42.00%

	GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	.(9)				
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)				
Jun-11	\$ 32,147,653	\$ 13,819,406	\$ 2,664,211	\$ 398,792	\$ 682,917							
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853							
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792							
Sep-11	32,105,558	14,854,983	1,624,813	424,224		\$ 49,101,818						
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947				
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106				
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186				
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789				
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750				
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391				
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117				
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465				
for 12 Months Endi	ng Current Expense Mor						\$ 44,126,696	\$ 28,638,103				
		excluding Environmental al Revenues for 12-montl			onth =		\$ 76,085,417 58.00%	1858 a si sa sa sa sa sa sa sa sa sa sa sa sa sa				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: May 31, 2012

		Revenues per		Revenues per	
	ļ	Form 3.00		Income Statement	
Kentucky Retail Revenues					
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	65,169,905	\$	65,169,905	
(2) Fuel Adjustment Clause	\$	4,567,763	\$	4,567,763	
(3) DSM	\$	1,375,971	\$	1,375,971	
(4) Environmental Surcharge			\$	428,158	
(5) CSR Credits			\$	(87,445)	
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes	s =   \$	71,113,639			
Non -Jurisdictional Revenues					
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	6,106,375	\$	6,106,375	
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes	S =	6,106,375			
(9) Total Company Revenues for Environmental Surcharge Purposes	s =   \$	77,220,014			
Jurisdictional Allocation Ratio for Current Month [(5) / (8)]		92.09%			
Reconciling Revenues					
(10) Brokered	\$	_	\$	-	
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	_	
(12) Unbilled			\$	17,937,786	
(13) Miscellaneous			\$	1,427,872	
(14) Total Company Revenues per Income Statement =			\$	96,926,385	



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

Louisville Gas and **Electric Company** State Regulation and Rates 220 West Main Street

PO Box 32010 RECEIVE

Louisville, Kentucky 40232 www.lge-ku.com

JUL 20 2012

Robert M. Conroy

PUBLIC SERVICE Director - Rates COMMISSION F 502-627-3213

T 502-627-3324

robert.conroy@lge-ku.com

July 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July billing cycle which begins July 31, 2012.

With the approval from the Commission for the construction of Cane Run Unit 7 and pending the issuance of the final air permit for that unit, LG&E has discontinued work related to the construction of the new landfill at the Cane Run Generation Station (Project 22). If and when a final decision is made to cancel this project, the CWIP balance on ES Form 2.10 for Project 22 will be included as an expense on ES Form 2.50 in a future monthly filing.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of June 2012

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 127,511
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.40%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 177,103
Group 2 ES Billing Factor ES Form 1 10 line 18	=	0.62%

Effective Date for Billing: August billing cycle beginning July 31, 2012

lubmitted by:  $\S$ 

Title: Director, Rates

Date Submitted: July 20, 2012

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of June 2012

#### Calculation of Total E(m)

		1 Environmental pliance Plans 、	2011 Environmental Compliance Plans
I) RB	= \$ .	77,154,218 \$	8,761,465
2) RB/12	= \$	6,429,518 \$	730,122
3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.82%	10.37%
4) OE	= \$	370,731 \$	82,005
5) BAS	= \$	-	Not Applicable
6) BR	= \$	5,535	Not Applicable
7) $E(m)$ (2) $x$ (3) + (4) - (5) + (6)	= \$	1,071,940 \$	157,719
3) Total $E(m) = sum of Pre-2011 E(m) + 2011 E(m)$	\$	1,229,659	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	97.04%
(10)		= \$	1,193,261
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	
(12)	Prior Period Adjustment (if necessary)	<b>:=</b>	-
(13)	Revenue Collected through Base Rates	=	888,647
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	304,614

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	P 1 (Total Revenue) GR	OUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.86%	58.14%
(16)	Group E(m) [(14) x (15)]	= \$	127,511 \$	177,103
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,957,675 \$	28,653,381
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]		0.40%	0.62%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of June 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Compliance Nate Base								
	Pre	-2011 Envirome	ntal C	Compliance Plans	2011 Enviromental Compliance Pla			
Eligible Pollution Control Plant	<b>S</b>	76,130,659			\$	-		
Eligible Pollution CWIP Excluding AFUDC		10,453,740				8,694,622		
Subtotal			\$	86,584,399			\$	8,694,622
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		11,443						
Cash Working Capital Allowance		212,043				66,843	l	
Subtotal				223,486	_			66,843
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		5,556,021				-		
Pollution Control Deferred Income Taxes		4,097,646				-		
Subtotal				9,653,667				-
Environmental Compliance Rate Base			\$	77,154,218			\$	8,761,465

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 136,939	\$ 81,870
Monthly Depreciation & Amortization Expense	236,646	
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,961	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 370,731	\$ 82,005

Determination of Beneficial Reuse Operating Expenses

	Envi	ronmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	5,535
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	5,535

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	-
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

ES Form 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

Plant In   Service   Plant In   Service   Depreciation   Property   Excluding   Accumulated   Depreciation   Excluding   AFUDC   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Service   Servi	(1)	T	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
2005 Plane	Description		Plant In		Accumulated		Amount Excluding		Plant In		Tax Balance as of	ITC Amortization		Depreciation		Monthly Property Tax Expense	
Project 1   Septid Waste Landfill Expansion at Mill Creek   S		+							(2)-(3)+(4)								
Project 1 - Special Waste Landfill Expansion at Mill Creek   \$ 4,818,430   \$ 535,015   \$ 131,339   \$ 4,414,754   \$ 649,200   \$ 10,007   \$ Project 1 - Special Waste Landfill Expansion at Cane Run Unit 1   \$ 850,100   \$ 138,191   \$ - \$ 71,1781   \$ 119,391   \$ 2,264   \$ \$ Project 1 - Serubber Refurbishment at Cane Run Unit 5   \$ 308,007   \$ 65,441   \$ - \$ 71,1781   \$ 119,391   \$ 2,264   \$ \$ Project 1 - Serubber Refurbishment at Cane Run Unit 5   \$ 308,007   \$ 66,544   \$ - \$ \$ 71,1781   \$ 119,391   \$ 2,264   \$ \$ Project 1 - Serubber Refurbishment at Cane Run Unit 5   \$ 308,007   \$ 66,544   \$ - \$ \$ 7,040,007   \$ 24,066   \$ 20,830   \$ 1,147   \$ \$ 7,740,007   \$ 7,740,007   \$ 1,653,361   \$ - \$ \$ 5,07,816   \$ 1,813,300   \$ 2,250,682   \$ 5 - \$ \$ 7,740,007   \$ 1,653,361   \$ - \$ \$ 5,07,816   \$ 1,813,300   \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,682   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 5 - \$ 2,250,882   \$ 2,250,882   \$ 2,250,882   \$ 2,250,882   \$ 2,250,882   \$ 2,2		T															
Project 12 - Special Waste Landfill Expansion at Cane Run Station   \$ .5,950,065   \$ .478,768   \$ \$ .5,116,297   \$ .379,968   \$ .10,300   \$																	İ
Project 13 - Serubber Refurbishment at Trimble County Unit 1		1 '					131,339										544
Project 14 - Serubber Refurbithment at Came Run Unit 6		1 '					-				′ 1		į	\$		\$	646
Project 15 - Serubber Refurbishment at Cane Run Unit 5   S		\$	850,100	\$	138,319	\$	-	\$	711,781		119,391			\$		\$	. 91
Project 15 - Sorubber Refurbishment at Cane Run Unit 5   S	Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507	\$	65,441	\$	-	\$	243,066	\$	20,830			\$	1,147	\$	31
Subtotal Less Refirements and Replacement resulting from implementation of 2005 Plan:    Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columbia   Second Columb	Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$	-		-			\$	-	\$	-
Less Retirements and Replacement resulting from implementation of 2005 Plan	Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,653,261	\$	-	\$	5,707,816	\$	1,381,350			\$	22,206	\$	730
Less Retirements and Replacement resulting from implementation of 2005 Plan		<u>_</u>				Ļ		_		_		<u> </u>				<u> </u>	
From implementation of 2005 Plan   \$ (2,520,865)   \$ (969,332)   \$   \$ (1,551,534)   \$ (384,695)   \$ \$ (5,253)   \$		\$	18,933,180	\$	2,870,804	\$	131,339	\$	16,193,715	\$	2,550,829		i	\$	46,283	\$	2,042
Net Total - 2005 Plan:   S   16,412,315   S   1,901,472   S   131,339   S   14,642,181   S   2,166,134   S   41,030   S		8	(2 520 865)	, s	(969 332)	\$	_	8	(1.551.534)	5	(384 695)			\$	(5.253)	8	(194)
2006 Plan:	From implementation of 2005 Fran	"	(2,320,003)	"	(202,332)	"		•	(1,551,551)	ľ	(301,033)				(5,255)	"	(12-1)
Project 18 - TC2 AQCS Equipment	Net Total - 2005 Plan:	\$	16,412,315	\$	1,901,472	\$	131,339	\$	14,642,181	\$	2,166,134			\$	41,030	\$	1,848
Project 18 - TC2 AQCS Equipment		T		Т		T				П						П	
Project 19 - Sorbent Injection	2006 Plan:			1		1		ļ		1		1					
Project 19 - Sorbent Injection	Project 18 - TC2 AQCS Equipment	\$	44,236,424	\$	2,670,349	\$	489,622	\$	42,055,697	\$	1,158,717	\$	14,527	\$	155,174	\$	5,303
Project 20 - Mercury Monitors   \$ 2,050,346   \$ 335,170   \$ - \$ 1,715,177   \$ 72,839   \$ 8,867   \$ \$ 1,361   \$ \$ \$ 397,151   \$ 90,912   \$ - \$ 306,239   \$ 79,788   \$ 1,361   \$ \$ \$ \$ \$ 1,361   \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$		s					-				397,174		,	\$			384
Project 21 - Mill Creek Opacity and Particulate Monitors   S   397,151   S   90,912   S   -   S   306,239   S   79,788   S   1,361   S		l s					_	S				1		\$		\$	221
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 50,123,997 \$ 3,521,700 \$ 489,622 \$ 47,091,919 \$ 1,708,519 \$ 14,527 \$ 175,178 \$  Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 50,123,997 \$ 3,521,700 \$ 489,622 \$ 47,091,919 \$ 1,708,519 \$ 14,527 \$ 175,178 \$  Net Total - 2006 Plan:  Project 23 - Cane Run CCP Storage (Landfill - Phase I) \$ 5 - \$ - \$ 1,183,078 \$ 1,183,078 \$ 2 - \$ 5 - \$ 7 \$  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) \$ 9,594,347 \$ 132,848 \$ (2,514) \$ 9,458,985 \$ 222,994 \$ 20,438 \$  Project 24 - Trimble County CCP Storage (Landfill - Phase I) \$ 5 - \$ 5 - \$ 3,300,622 \$ 3,300,622 \$ 3,300,622 \$ 5 - \$ \$  Subtotal  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:  \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Net Total - 2009 Plan:		S				\$	_	\$						\$		\$	39
Less Retirements and Replacement resulting from implementation of 2006 Plan				l	•						•,	}					
Net Total - 2006 Plan:   \$   -   \$   -   \$   -   \$   -   \$   -   \$   -   \$   -   \$   \$	Subtotal	\$	50,123,997	\$	3,521,700	\$	489,622	\$	47,091,919	\$	1,708,519	\$	14,527	\$	175,178	\$	5,947
Nef Total - 2006 Plan:   \$ 50,123,997   \$ 3,521,700   \$ 489,622   \$ 47,091,919   \$ 1,708,519   \$ 14,527   \$ 175,178   \$   \$ 2009 Plan:   Project 22 - Cane Run CCP Storage (Landfill - Phase I)   \$ - \$ 1,183,078   \$ 1,183,078   \$ - \$ \$ - \$ \$ Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)   \$ 9,594,347   \$ 132,848   \$ (2,514)   \$ 9,458,985   \$ 222,994   \$ 20,438   \$ Project 24 - Trimble County CCP Storage (Landfill - Phase I)   \$ - \$ 5,351,594   \$ 5,351,594   \$ - \$ \$ - \$ \$ Project 25 - Beneficial Reuse   \$ 5 - \$ \$ - \$ \$ 3,300,622   \$ 3,300,622   \$ - \$ \$ - \$ \$ \$ - \$ \$ \$ \$ - \$ \$ \$ \$ \$	Less Retirements and Replacement resulting			1				1				1				1	
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) \$ 9,594,347 \$ 132,848 \$ (2,514) \$ 9,458,985 \$ 222,994 \$ 20,438 \$ Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$ Less Retirements and Replacement resulting from implementation of 2009 Plan \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$ Net Total - 2009 Plan:    Net Total - 2009 Plan:   \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$	from implementation of 2006 Plan	\$	_	\$	_	\$	-	\$		\$	-	\$	-	\$	-	\$	- 1
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) \$ 9,594,347 \$ 132,848 \$ (2,514) \$ 9,458,985 \$ 222,994 \$ 20,438 \$ Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$ Less Retirements and Replacement resulting from implementation of 2009 Plan \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$ Net Total - 2009 Plan:    Net Total - 2009 Plan:   \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$												<u>L</u>					
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	Net Total - 2006 Plan:	\$	50,123,997	\$	3,521,700	\$	489,622	\$	47,091,919	\$	1,708,519	\$	14,527	\$	175,178	\$	5,947
Project 22 - Cane Run CCP Storage (Landfill - Phase I)								1									
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) \$ 9,594,347 \$ 132,848 \$ (2,514) \$ 9,458,985 \$ 222,994 \$ 20,438 \$ Project 24 - Trimble County CCP Storage (Landfill - Phase 1) \$ - \$ 5,351,594 \$ 5,351,594 \$ - \$ 5 Project 25 - Beneficial Reuse \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$  Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan \$ - \$ - \$ - \$ - \$ - \$ - \$  Net Total - 2009 Plan: \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$		1_		1_		١.						1					
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)		1 7		\$	· · ·	1 -									-	1 ~	180
Project 25 - Beneficial Reuse		1 '	9,594,347	1 '	132,848						222,994	1			20,438	•	1,198
Subtotal \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 20,438 \$ 10,294,279 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,994 \$ 222,99			-		-				5,351,594	\$	-				-		400
Less Retirements and Replacement resulting from implementation of 2009 Plan	Project 25 - Beneficial Reuse	\$	-	\$	-	\$	3,300,622	\$	3,300,622	\$	-			\$	-	\$	138
Less Retirements and Replacement resulting from implementation of 2009 Plan		<u></u>	0.504.5.5	+	100.040	1	0.000.000	1	10.004.000	1	000.004	-		_	90 100	1	16.5
From implementation of 2009 Plan   \$ -   \$ -   \$ -   \$ -   \$ -   \$   \$		\$	9,594,347	\$	132,848	\$	9,832,780	\$	19,294,279	2	222,994			\$	20,438	\$	1,917
Net Total - 2009 Plan: \$ 9,594,347 \$ 132,848 \$ 9,832,780 \$ 19,294,279 \$ 222,994 \$ 20,438 \$				1.		١.		1.		_		1		1.		1.	
	from implementation of 2009 Plan	\$	-	25	-	S	-	\$	-	1 3	-			1 5	-	1 3	-
	Net Total - 2009 Plan	<u> </u>	9 594 347	1 \$	132 848	15	9.832.780	15	19,294 279	1\$	222 994	十		\$	20,438	\$	1,917
Subtotal - Pre-2011 Plans: \$ 76,130,659 \$ 5,556,021 \$ 10,453,740 \$ 81,028,379 \$ 4,097,646 \$ 14,527 \$ 236,646 \$	A TOWN AND A TOWN	+-	2,521,547	Ť	152,010	Ť	2,022,700	Ť	1,0075	Ť			· · · · · · · · · · · · · · · · · · ·	Ť		Ť	
	Subtotal - Pre-2011 Plans:	1 \$	76,130.659	\$	5,556.021	\$	10,453.740	\$	81,028,379	\$	4,097,646	\$	14,527	\$	236,646	T\$	9,712
		$\top$	, , , , , , , , , , , , , , , , , , , ,	T		T		T		T		T		Г		Ť	

ES Form 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Eligible Net Amount Plant In Excluding Service AFUDC		Deferred Tax Balance as of 6/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 8,500,400 \$ 194,223				\$ - \$ -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	s -	\$ - \$ -	\$ 8,694,622 \$ -	\$ 8,694,622 \$ -	\$ - \$ -		\$ - \$ -	\$ 135 \$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 8,694,622	\$ 8,694,622	\$ -	\$ -	\$ -	\$ 135
Net Total - All Plans:	\$ 76,130,659	\$ 5,556,021	\$ 19,148,363	\$ 89,723,001	\$ 4,097,646	\$ 14,527	\$ 236,646	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Please see the July 20, 2012 transmittal letter for the June 2012 expense filing concerning the status of Project 22.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: June 30, 2012

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dolla	ar Value Of Vintage `	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	·
		Annual	Ozone Season		_	Annual	Ozone Season	
Current Year	135,034	7,423	4,712	\$ 1,286.07	\$	10,937.25	\$ 558.5	0
2013	62,379							
2014	62,379							
2015	62,379	•						
2016	62,379							
2017	62,379				1			
2018	62,379			•				
2019	62,379				<u> </u>			
2020	62,379						·	
2021	62,379							·
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379				1			
2027	62,379				1			
2028	62,379		<u> </u>					
2029	62,379							•
2030	62,379							
2031	62,379							
2032 - 2041	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of June 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or					
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years					
TOTAL EMISSIO	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS								
Quantity	141,980	0	6,946	0	0							
Dollars	\$ 1,352.22		\$ 66.15		\$ -	\$ 1,286.07						
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01						
	LOWANCES FRO	M EPA: COAL F			_							
Quantity	138,551	-	6,830			131,721						
Dollars	\$ 1,310.95	\$ -	\$ 65.05	\$ -	\$ -	\$ 1,245.90						
					<u> </u>							
	LOWANCES FRO	M EPA: OTHER			4							
Quantity	3,429		116		-	3,313						
Dollars	\$ 41.27	\$ -	\$ 1.10	\$ -	\$ -	\$ 40.17						
	L			<u> </u>								
	FROM PURCHAS	ES:	Special Contract of									
From Market:												
Quantity	-	<u>-</u>	-		-	-						
Dollars		\$ -		\$ -	\$ -	\$ -						
\$/Allowance	\$ -	\$ -	\$		\$ ·	-						
From KU												
Quantity	-	-	-	_	-	-						
Dollars	-	\$ -	\$ -	-	\$ -	\$ -	,					
\$/Allowance	-	\$ -	\$ -	-	\$ -	\$ -						
<del></del>												

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of June 2012

	Beginning				Utilized				Ending	Allocation, Purchase, or		
	Inventory		Purchases		(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWAN	CES	IN INVENTORY	, AL	L CLASSIFIC	ATI	ONS					
Quantity		50	0		1,219		19		0		4,712	
Dollars		.24		\$	144.48			\$		\$		
\$/Allowance	\$ 0	.12	\$	\$	0.12	\$	0.12	\$	-	\$	0.12	
			M EPA: COAL F	UEL								
Quantity		121	<u> </u>	<u> </u>	1,153					4	4,268	
Dollars	\$ 642	.53	<u> </u>	\$	136.66	\$		\$		\$	505.87	
	<u> </u>					L						
		mn o	A C T D . O C T T T D	****	× 0							
			M EPA: OTHER	FUE								
Quantity		529		<del> </del>	66	<u> </u>		_	<del></del>	+-	444	
Dollars	\$ 62	.71	\$ -	\$	7.82	\$	2,26	\$		\$	52.63	
	.i	i		ــــــــــــــــــــــــــــــــــــــ	~~~~			L				
ATT OWN ANOTH	EDOM DITTO	T 4 CY	n C									
ALLOWANCES	FROM PURCI	IASI	52:	T		_				1		
From Market:	<del> </del>	0	. 0	-			0	├	0	+	0	
Quantity Dollars	-	_			0	_		-		+		
\$/Allowance	\$	_	\$ -	\$	-	\$		\$		1 5		
\$/Allowance	1.3		\$	1.3		\$	-	\$		1 3		
From KU:	T			1				T	<del></del>	_		
Quantity	-	0	0	+	0	<del> </del>	0	-	0	+	0	
Dollars	\$			\$		\$		Φ.		1		
\$/Allowance	<del>\$</del>		\$ -	\$		\$	**	\$		1 9		
\$/FAIIOWance	ΙΦ	-	<u>-</u>	1.9		1.0	-	1.3		1 4		l
1												

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2012

	Beginning	1	Allocations/	Ţ	Utilized		Utilized				Ending	Allocation, Purchase, or
	Inventory		Purchases	(C	Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANC	ES IN	INVENTORY,	ALL	CLASSIFIC	ATIO	NS					
Quantity	8,66	1	0		1,219		19		0		7,423	
Dollars	\$ 12,761.3	5 \$	-	\$	1,824.10	\$	-	\$	-	\$	10,937.25	
\$/Allowance	\$ 1.4	7 \$		\$	1.50	\$	-	\$	-	\$	1.47	
ALLOCATED AI			EPA: COAL F	JEL								,
Quantity	8,00		-		1,153		·				6,847	
Dollars	\$ 12,761.3	5 \$	-	\$	1,824.10	\$	-	\$		\$	10,937.25	
ALLOCATED AI	LLOWANCES F		EPA: OTHER	FUEL	.S 66		19		<del></del>	1	576	
Dollars	\$ -	\$	-	\$	-	\$	-	\$	-	\$		
ALLOWANCES	FROM PURCHA	SES:								,		
From Market:										<u> </u>		
Quantity		0	0		0		0	_	0	<u> </u>	0	
Dollars	\$ -	\$	<u>-</u>	\$	-	\$	·	\$		\$		
\$/Allowance	-	\$		\$	-	\$	<del>-</del>	\$		\$	-	
	<del></del>									·		
From KU:	ļ	_				<u> </u>		ļ		-		
Quantity		0	0		0	<u> </u>	0	<u> </u>	0			
Dollars	\$ -	\$		\$		\$		\$		\$		
\$/Allowance	\$ -	\$		\$	-	\$		\$	_	\$	-	
							-					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

Environmer	ntal Compliance Plan				
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount			
11th Previous Month	\$ 170,289				
10th Previous Month	270,125				
9th Previous Month	174,545				
8th Previous Month	61,568				
7th Previous Month	104,274				
6th Previous Month	130,472	. 52,540			
5th Previous Month	137,600	54,008			
4th Previous Month	161,007	42,758			
3rd Previous Month	108,745	51,942			
2nd Previous Month	91,880	104,944			
Previous Month	148,897	146,684			
Current Month	136,939	81,870			
Total 12 Month O&M	\$ 1,696,342	\$ 534,746			

Determination of	Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	1,696,342	\$		534,746					
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	212,043	\$		66,843					

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2012

O&M Expense Account		Cane Run	Mill Creek	Trimble County	Total
2005 Plan					
502056-ECR Scrubber Operations				62,025,50	62,025,50
512055-ECR Scrubber Maintenance				-	
Total 2005 Plan O&M Expenses				62,025.50	62,025.50
2006 Plan					
506159 - ECR Sorbent Injection Operation			· ·	2,076.84	2,076.84
506152 - ECR Sorbent Reactant - Reagent Onl	y		i .	14,811.05	14,811.05
512152 - ECR Sorbent Injection Maintenance	-			561.44	561.44
. 506150 - ECR Mercury Monitors Operation		1,191.52	3,195.43	759.50	5,146.45
512153 - ECR Mercury Monitors Maintenance		-	-	-	-
502056 - ECR Scrubber Operations				15,130.07	15,130.07
512055 - ECR Scrubber Maintenance				10,279.18	10,279.18
506154 - ECR NOx Operation Consumables				14,870.94	14,870.94
506155 - ECR NOx Operation Labor and Ot	her			1,265.46	1,265.46
512151 - ECR NOx Maintenance				621.04	621.04
506051 - ECR Precipitator Operation	1000		1	1,405.05	1,405.05
506151 - ECR Activated Carbon					
512051 - ECR Precipitator Maintenance			·	8,745.80	8,745.80
Total 2006 Plan O&M Expenses	\$	1,191.52	3,195.43	70,526.37	74,913.32
2009 Plan					
502013 - ECR Landfill Operations		-		-	-
512107 - ECR Landfill Maintenance		-		-	-
Adjustment for CCP Disposal in Base Rates (E	S Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses		_		-	-
	·				
Subtotal - Pre-2011 Plans		1,191.52	3,195.43	132,551.87	136,938.82
   2011 Plan					
502056 - ECR Scrubber Operations			-		_
512055 - ECR Scrubber Maintenance					
506159 - ECR Sorbent Injection Operation		_		7,858,43	7,858,43
506152 - ECR Sorbent Reactant - Reagent On	137		_	73,659,62	73,659.62
512152 - ECR Sorbent Injection Maintenance	Ty			351.92	351.92
506156 - ECR Baghouse Operations				331.32	331.32
512156 - ECR Baghouse Maintenance			-		<u>-</u>
506151 - ECR Activated Carbon				<u>-</u>	<u>-</u>
Adjustment for Base Rates Baseline Amounts				-	
Total 2011 Plan O&M Expenses	•			81,869.97	81,869.97
				,,-,	,30777
Current Month O&M Expense for All Plans	\$	1,191.52	3,195.43	\$ 214,421.84	\$ 218,808.79

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
The gap to the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of the time of time of the time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of time of tim		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	-
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		T\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2012

Third Party	O&M Expense Account	Plant	Т	otal O&M
			T	
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County		5,535.22
<u> </u>				
			_	
				`
Total Monthly	Beneficial Reuse Expense		\$	5,535.22
Adjustment for	Beneficial Reuse in Base Rates (from ES Form	n 2.61)	\$	_
Net Beneficial	Reuse O&M Expense		\$	5,535.22

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run Mill Creek			reek	Trimble County			Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					T				
(1) 12 Months Ending with Expense Month	\$	_	\$	-	\$		\$		
(2) Monthly Amount [(1) / 12]	\$	- ,	\$	-	\$	-	\$	-	
2009 Plan Project 25									
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$	5,535.22	\$	5,535.22	
Total Beneficial Reuse - Generating Station									
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	5,535.22	\$	5,535.22	
Beneficial Reuse in Base Rates									
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$ .		\$	(210,822.03)		(210,822.03)	
(6) Monthly Expense Amount [(5) / 12]	\$	***	\$		\$	(17,568.50)	\$.	(17,568.50)	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	<u> </u>	\$	23,103.72	\$	23,103.72	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$	17,568.50	\$	17,568.50	
If Line (8) Greater than Zero, No Adjustment									
If Line (8) Less than Zero, Adjustment for Base Rates									
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	_	\$		\$		\$		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY Conroy ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

			GROUP 1 (Total	Revenues) - Kentucky Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	J	Total Excluding Environmental Surcharge (7)-(6)
Jul-11	\$ 29,070,447	\$ 11,111,091	\$ 2,093,173	\$ 1,210,544	\$ 639,187	\$ 44,124,443	\$	43,485,256
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733
Sep-11	26,354,514	• 9,870,751	1,052,813	1,075,015	-73,129	\$ 38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,201
		Excluding Environmental	Surcharge,		•			
	for 12 Months Ending Current Expense Month.							
				s ending with Current Mo	onth =	· · · · · · · · · · · · · · · · · · ·	\$	76,344,272
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.86%

			GRC	UP 2 (Net Revenues) - I	Kentucky Jurisdictional R	Levenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	· (8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Jul-11	\$ 31,666,233	\$ 14,463,421	\$ 2,713,117	\$ 416,798	\$ `722,853			
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792			
Sep-11		14,854,983	1,624,813	424,224	92,240	\$ 49,101,818		
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117
May-12		12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465
Jun-12	1 / /	15,784,878	3,634,227	. 611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777
		Excluding Environmental	Surcharge and Fuel,					
	ing Current Expense Mor						\$ 44,386,597	
		excluding Environmental			onth =		\$ 76,344,272	
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-montl	as ending with the Curre	nt Month	·		58.14%	

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

			Revenues per	R	evenues per
	·		Form 3.00	Inco	me Statement
Kentucl	xy Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	81,263,990	\$	81,263,990
(2)	Fuel Adjustment Clause	\$	5,712,984	\$	5,712,984
(3)	DSM	\$	1,760,110	\$	1,760,110
(4)	Environmental Surcharge	<u> </u>		\$	337,054
(5)	CSR Credits			\$	(249,422)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	88,737,084		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	2,702,388	\$	2,702,388
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	2,702,388		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	91,439,472		
					•
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		97.04%		
1				1	
Reconc	iling Revenues	1			•
(10)	Brokered	\$	-	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	3,967,063
(13)	Miscellaneous			\$	1,950,705
(14)	Total Company Revenues per Income Statement =			\$	97,444,872