

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2014-00372**

**UPDATED Response to Commission Staff's Third Request for Information  
Dated February 6, 2015**

**Updated Response filed on March 18, 2015**

**Question No. 8**

**Responding Witness: Robert M. Conroy**

- Q-8. Refer to the response to Item 21 of Staff's Second Request. Continue to provide income statements, updated monthly, during the pendency of this proceeding.
- A-8. See attached for the February 2015 Comparative Statement of Income. The Company will provide monthly updates during the pendency of this proceeding.

**Louisville Gas and Electric Company**  
**Comparative Statement of Income**  
**February 28, 2015**

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	\$ 104,827,914.66	\$ 99,088,924.84	\$ 5,738,989.82	5.79
Gas Operating Revenues.....	58,754,480.89	50,617,644.99	8,136,835.90	16.08
<b>Total Operating Revenues.....</b>	<b>163,582,395.55</b>	<b>149,706,569.83</b>	<b>13,875,825.72</b>	<b>9.27</b>
Fuel for Electric Generation.....	37,733,416.16	37,988,512.46	(255,096.30)	(0.67)
Power Purchased.....	4,007,271.64	4,734,257.65	(726,986.01)	(15.36)
Gas Supply Expenses.....	35,339,385.51	32,720,490.90	2,618,894.61	8.00
Other Operation Expenses.....	22,014,017.88	20,925,327.19	1,088,690.69	5.20
Maintenance.....	7,624,578.51	9,281,815.22	(1,657,236.71)	(17.85)
Depreciation.....	13,190,691.78	12,010,481.12	1,180,210.66	9.83
Amortization Expense.....	878,094.63	751,258.88	126,835.75	16.88
Regulatory Credits.....	-	-	-	-
Taxes				
Federal Income.....	(3,024,296.33)	7,980,933.54	(11,005,229.87)	(137.89)
State Income.....	1,380,592.51	1,455,489.41	(74,896.90)	(5.15)
Deferred Federal Income - Net.....	14,703,533.73	-	14,703,533.73	100.00
Deferred State Income - Net.....	566,459.71	-	566,459.71	100.00
Property and Other.....	3,160,536.42	2,980,032.88	180,503.54	6.06
Amortization of Investment Tax Credit.....	(111,553.00)	(149,066.00)	37,513.00	25.17
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	-	-	-	-
<b>Total Operating Expenses.....</b>	<b>137,462,729.15</b>	<b>130,679,533.25</b>	<b>6,783,195.90</b>	<b>5.19</b>
Net Operating Income.....	26,119,666.40	19,027,036.58	7,092,629.82	37.28
Other Income Less Deductions.....	(103,534.19)	(190,138.70)	86,604.51	45.55
<b>Income Before Interest Charges.....</b>	<b>26,016,132.21</b>	<b>18,836,897.88</b>	<b>7,179,234.33</b>	<b>38.11</b>
Interest on Long-Term Debt.....	3,775,481.59	3,671,504.35	103,977.24	2.83
Amortization of Debt Expense - Net.....	270,333.02	287,318.04	(16,985.02)	(5.91)
Other Interest Expenses.....	125,246.64	96,914.46	28,332.18	29.23
<b>Total Interest Charges.....</b>	<b>4,171,061.25</b>	<b>4,055,736.85</b>	<b>115,324.40</b>	<b>2.84</b>
<b>Net Income.....</b>	<b>\$ 21,845,070.96</b>	<b>\$ 14,781,161.03</b>	<b>\$ 7,063,909.93</b>	<b>47.79</b>

March 20, 2015

**Louisville Gas & Electric Company**  
**Case No. 2014-00372**  
**Comparative Income Statement**  
**Base Period: Twelve Months Ended February 28, 2015**  
**Forecasted Test Period: Twelve Months Ended June 30, 2016**

Total Company	<u>Most Recent Five Calendar Years</u>					Base	Test	Forecasted		
	2009	2010	2011	2012	2013	Period 2/28/2015	Year 6/30/2016	2016	2017	2018
<b>INCOME STATEMENT</b>										
<b>Operating Revenues</b>										
Electric Operating Revenues	\$ 919,364,692	\$ 1,015,611,567	\$ 1,059,750,303	\$ 1,069,346,402	\$ 1,096,596,442	\$ 1,168,075,927	\$ 1,193,551,594	\$ 1,208,270,441	\$ 1,254,292,152	\$ 1,304,951,156
Gas Operating Revenues	361,627,856	302,947,356	304,574,422	254,278,399	324,221,274	364,101,507	342,873,578	352,507,550	371,736,719	379,903,062
<b>Total Operating Revenues</b>	<b>1,280,992,548</b>	<b>1,318,558,923</b>	<b>1,364,324,725</b>	<b>1,323,624,802</b>	<b>1,420,817,715</b>	<b>1,532,177,434</b>	<b>1,536,425,171</b>	<b>1,560,777,992</b>	<b>1,626,028,872</b>	<b>1,684,854,218</b>
<b>Operating Expenses</b>										
Fuel for Electric Generation	328,232,997	368,556,326	360,968,393	385,916,157	379,035,049	406,487,090	360,596,257	360,572,184	380,611,433	405,768,850
Power Purchased	58,430,270	54,379,719	74,894,547	52,477,768	48,124,184	45,189,370	68,182,202	65,252,110	69,046,744	68,500,930
Gas Supply Expenses	249,805,269	169,517,478	161,865,706	115,461,798	159,274,580	193,925,218	167,629,363	169,281,115	174,921,640	179,815,305
Other Operation Expenses	219,071,987	226,299,135	235,647,275	230,522,003	245,282,973	254,126,097	265,213,041	272,910,077	289,860,981	300,886,425
Maintenance	96,204,959	111,701,105	116,359,069	118,770,589	113,413,021	110,297,025	110,075,024	111,778,467	118,640,242	113,903,520
Depreciation & Amortization Expense	136,466,990	137,951,366	147,046,078	152,140,316	147,663,032	159,264,242	167,488,297	175,584,089	187,996,613	197,689,621
Federal & State Income Taxes	29,166,099	34,921,775	20,228,383	1,991,653	69,186,223	(27,955,721)	52,346,288	34,571,410	38,220,141	39,720,057
Deferred Federal & State Income Taxes	9,776,428	30,037,029	54,235,400	70,969,611	25,067,465	135,225,783	56,764,049	75,423,397	67,111,081	67,373,080
Property and Other Taxes	23,544,541	22,571,624	28,121,584	31,025,991	32,517,048	34,344,957	40,948,753	43,094,687	45,675,626	47,282,976
Investment Tax Credit	3,649,346	-	-	-	-	-	-	-	-	-
Amortization of Investment Tax Credit	(3,044,107)	(2,501,774)	(2,805,732)	(2,847,617)	(2,100,342)	(1,713,754)	(1,283,934)	(1,229,230)	(1,107,034)	(969,780)
Loss(Gain) from Disposition of Allowances	(66,274)	(34,460)	(2,578)	(694)	(282)	(427)	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,151,238,504</b>	<b>1,153,399,323</b>	<b>1,196,558,124</b>	<b>1,156,427,575</b>	<b>1,217,462,951</b>	<b>1,309,189,880</b>	<b>1,287,959,340</b>	<b>1,307,238,305</b>	<b>1,370,977,467</b>	<b>1,419,970,985</b>
<b>Net Operating Income</b>	<b>129,754,044</b>	<b>165,159,600</b>	<b>167,766,601</b>	<b>167,197,226</b>	<b>203,354,764</b>	<b>222,987,554</b>	<b>248,465,832</b>	<b>253,539,686</b>	<b>255,051,405</b>	<b>264,883,233</b>
Other Income less deductions	13,106,401	10,717,472	1,079,398	(2,051,782)	(2,656,846)	(2,432,361)	(1,524,045)	(1,605,283)	(1,614,460)	(1,688,480)
<b>Income before Interest Charges</b>	<b>142,860,445</b>	<b>175,877,072</b>	<b>168,845,999</b>	<b>165,145,444</b>	<b>200,697,919</b>	<b>220,555,193</b>	<b>246,941,787</b>	<b>251,934,403</b>	<b>253,436,945</b>	<b>263,194,753</b>
Interest Charges	47,743,250	48,162,687	44,659,694	42,222,666	41,997,315	49,458,331	67,479,003	72,931,435	81,725,495	89,018,188
<b>Net Income</b>	<b>\$ 95,117,195</b>	<b>\$ 127,714,386</b>	<b>\$ 124,186,305</b>	<b>\$ 122,922,778</b>	<b>\$ 158,700,603</b>	<b>\$ 171,096,862</b>	<b>\$ 179,462,784</b>	<b>\$ 179,002,968</b>	<b>\$ 171,711,450</b>	<b>\$ 174,176,565</b>

Louisville Gas & Electric Company  
Case No. 2014-00372  
Comparative Income Statement  
Base Period: Twelve Months Ended February 28, 2015  
Forecasted Test Period: Twelve Months Ended June 30, 2016

Electric Only	<u>Most Recent Five Calendar Years</u>					Base Period	Test Year	Forecasted		
	2009	2010	2011	2012	2013	2/28/2015	6/30/2016	2016	2017	2018
<b>INCOME STATEMENT</b>										
<b>Operating Revenues</b>										
Electric Operating Revenues	\$ 919,364,692	\$ 1,015,611,567	\$ 1,059,750,303	\$ 1,069,346,402	\$ 1,096,596,442	\$ 1,168,075,927	\$ 1,193,551,594	\$ 1,208,270,441	\$ 1,254,292,152	\$ 1,304,951,156
<b>Total Operating Revenues</b>	<b>919,364,692</b>	<b>1,015,611,567</b>	<b>1,059,750,303</b>	<b>1,069,346,402</b>	<b>1,096,596,442</b>	<b>1,168,075,927</b>	<b>1,193,551,594</b>	<b>1,208,270,441</b>	<b>1,254,292,152</b>	<b>1,304,951,156</b>
<b>Operating Expenses</b>										
Fuel for Electric Generation	328,232,997	368,556,326	360,968,393	385,916,157	379,035,049	406,487,090	360,596,257	360,572,184	380,611,433	405,768,850
Power Purchased	58,430,270	54,379,719	74,894,547	52,477,768	48,124,184	45,189,370	68,182,202	65,252,110	69,046,744	68,500,930
Other Operation Expenses	171,917,469	182,493,504	191,550,323	187,293,192	198,769,150	205,793,860	208,763,800	211,376,429	216,678,837	224,708,980
Maintenance	79,813,890	94,158,027	96,235,088	97,601,940	95,645,484	91,190,184	89,018,332	91,273,572	97,831,541	91,992,588
Depreciation & Amortization Expense	116,390,168	116,613,181	124,634,432	128,381,713	121,609,186	129,165,603	133,336,688	139,997,818	149,563,675	157,231,963
Federal & State Income Taxes	17,441,435	28,105,569	37,411,239	8,463,356	54,304,064	(10,518,718)	44,815,682	30,294,064	33,670,916	36,778,422
Deferred Federal & State Income Taxes	16,418,734	23,164,076	12,115,729	51,212,094	17,163,020	92,996,544	48,520,201	63,726,609	57,015,729	57,430,562
Property and Other Taxes	17,898,172	17,193,678	21,610,184	23,824,390	25,031,903	26,197,405	31,185,102	32,845,534	34,838,137	36,103,748
Investment Tax Credit	3,649,346	-	-	-	-	-	-	-	-	-
Amortization of Investment Tax Credit	(2,891,307)	(2,357,054)	(2,670,412)	(2,721,997)	(1,987,122)	(1,619,701)	(1,214,862)	(1,168,810)	(1,060,510)	(944,560)
Loss(Gain) from Disposition of Allowances	(66,274)	(34,460)	(2,578)	(694)	(282)	(427)	-	-	-	-
<b>Total Operating Expenses</b>	<b>807,234,899</b>	<b>882,272,566</b>	<b>916,746,946</b>	<b>932,447,919</b>	<b>937,694,636</b>	<b>984,881,210</b>	<b>983,203,402</b>	<b>994,169,511</b>	<b>1,038,196,501</b>	<b>1,077,571,484</b>
<b>Net Operating Income</b>	<b>112,129,793</b>	<b>133,339,001</b>	<b>143,003,357</b>	<b>136,898,483</b>	<b>158,901,806</b>	<b>183,194,717</b>	<b>210,348,192</b>	<b>214,100,931</b>	<b>216,095,651</b>	<b>227,379,672</b>
Other Income less deductions	10,725,045	8,575,506	1,197,573	(1,539,334)	(2,102,802)	(1,793,741)	(1,202,228)	(1,267,020)	(1,272,911)	(1,332,001)
<b>Income before Interest Charges</b>	<b>122,854,838</b>	<b>141,914,506</b>	<b>144,200,931</b>	<b>135,359,150</b>	<b>156,799,003</b>	<b>181,400,976</b>	<b>209,145,964</b>	<b>212,833,911</b>	<b>214,822,740</b>	<b>226,047,671</b>
Interest Charges	38,056,200	38,289,141	35,225,878	33,357,269	33,183,860	40,159,812	54,657,993	59,074,462	66,197,651	72,104,732
<b>Net Income</b>	<b>\$ 84,798,638</b>	<b>\$ 103,625,365</b>	<b>\$ 108,975,052</b>	<b>\$ 102,001,881</b>	<b>\$ 123,615,143</b>	<b>\$ 141,241,164</b>	<b>\$ 154,487,972</b>	<b>\$ 153,759,449</b>	<b>\$ 148,625,089</b>	<b>\$ 153,942,939</b>

Louisville Gas & Electric Company  
Case No. 2014-00372  
Comparative Income Statement  
Base Period: Twelve Months Ended February 28, 2015  
Forecasted Test Period: Twelve Months Ended June 30, 2016

Gas Only	Most Recent Five Calendar Years					Base	Test	Forecasted		
	2009	2010	2011	2012	2013	Period	Year	2016	2017	2018
<b>INCOME STATEMENT</b>										
<b>Operating Revenues</b>										
Gas Operating Revenues	\$ 361,627,856	\$ 302,947,356	\$ 304,574,422	\$ 254,278,399	\$ 324,221,274	\$ 364,101,507	\$ 342,873,578	\$ 352,507,550	\$ 371,736,719	\$ 379,903,062
<b>Total Operating Revenues</b>	<b>361,627,856</b>	<b>302,947,356</b>	<b>304,574,422</b>	<b>254,278,399</b>	<b>324,221,274</b>	<b>364,101,507</b>	<b>342,873,578</b>	<b>352,507,550</b>	<b>371,736,719</b>	<b>379,903,062</b>
<b>Operating Expenses</b>										
Gas Supply Expenses	249,805,269	169,517,478	161,865,706	115,461,798	159,274,580	193,925,218	167,629,363	169,281,115	174,921,640	179,815,305
Other Operation Expenses	47,154,518	43,805,630	44,096,952	43,228,811	46,513,823	48,332,237	56,449,241	61,533,648	73,182,144	76,177,445
Maintenance	16,391,069	17,543,078	20,123,981	21,168,649	17,767,537	19,106,841	21,056,692	20,504,894	20,808,701	21,910,932
Depreciation & Amortization Expense	20,076,822	21,338,185	22,411,645	23,758,603	26,053,846	30,098,639	34,151,610	35,586,271	38,432,938	40,457,658
Federal & State Income Taxes	11,724,664	6,816,205	(17,182,856)	(6,471,702)	14,882,159	(17,437,003)	7,530,606	4,277,346	4,549,225	2,941,635
Deferred Federal & State Income Taxes	(6,642,305)	6,872,953	42,119,671	19,757,517	7,904,444	42,229,239	8,243,848	11,696,788	10,095,352	9,942,518
Property and Other Taxes	5,646,369	5,377,946	6,511,399	7,201,601	7,485,145	8,147,552	9,763,651	10,249,153	10,837,489	11,179,228
Amortization of Investment Tax Credit	(152,800)	(144,720)	(135,320)	(125,620)	(113,220)	(94,053)	(69,072)	(60,420)	(46,524)	(25,220)
<b>Total Operating Expenses</b>	<b>344,003,605</b>	<b>271,126,756</b>	<b>279,811,178</b>	<b>223,979,656</b>	<b>279,768,315</b>	<b>324,308,670</b>	<b>304,755,938</b>	<b>313,068,795</b>	<b>332,780,966</b>	<b>342,399,500</b>
<b>Net Operating Income</b>	<b>17,624,251</b>	<b>31,820,599</b>	<b>24,763,244</b>	<b>30,298,743</b>	<b>44,452,959</b>	<b>39,792,837</b>	<b>38,117,640</b>	<b>39,438,755</b>	<b>38,955,754</b>	<b>37,503,561</b>
Other Income less deductions	2,381,356	2,141,966	(118,175)	(512,449)	(554,044)	(638,620)	(321,817)	(338,264)	(341,548)	(356,480)
<b>Income before Interest Charges</b>	<b>20,005,607</b>	<b>33,962,566</b>	<b>24,645,069</b>	<b>29,786,294</b>	<b>43,898,915</b>	<b>39,154,217</b>	<b>37,795,823</b>	<b>39,100,492</b>	<b>38,614,205</b>	<b>37,147,082</b>
Interest Charges	9,687,050	9,873,546	9,433,815	8,865,397	8,813,455	9,298,519	12,821,011	13,856,973	15,527,844	16,913,456
<b>Net Income</b>	<b>\$ 10,318,557</b>	<b>\$ 24,089,020</b>	<b>\$ 15,211,253</b>	<b>\$ 20,920,897</b>	<b>\$ 35,085,460</b>	<b>\$ 29,855,698</b>	<b>\$ 24,974,812</b>	<b>\$ 25,243,519</b>	<b>\$ 23,086,361</b>	<b>\$ 20,233,626</b>