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

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JAN 15 2010

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company
State Regulation and Rates
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Louisville, Kentucky 40232
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Robert M. Conroy
Director - Rates
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January 15, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of December 2009. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00310, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after January 28, 2010.

Included with this filing are the calculation of the monthly ECR billing factor, revised to eliminate the monthly true-up adjustment and to calculate the billing factor on the basis of a monthly revenue requirement method, as approved in the Commission's Final Order in Case No. 2009-00310. KU has also included the projects approved in the 2009 ECR Plan in this month's filing in accordance with the Commission's December 23, 2009 Order in Case No. 2009-00197.

Additionally, KU revised the ES Forms as approved by the Commission in its Orders in the above-cited cases. KU's revised ES Form 2.50 is further revised to specifically include O&M Account No. 506111 – Activated Carbon, which is a component of the Air Quality Control Systems at Trimble County Unit 2. The estimated expenses associated with Activated Carbon were originally included in the total for O&M Account 506110; however, KU subsequently determined that separate identification and tracking of these costs is more appropriate. As such we have included this separate subaccount number on the form.

Mr. Jeff DeRouen
January 15, 2010

Attachment to Response to SV Question No. 2(b)
Page 2 of 1211
Conroy

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy", with a long horizontal flourish extending to the right.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

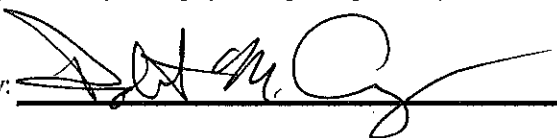
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of December 2009**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 10,789,381

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 12.25%

Effective Date for Billing: February billing cycle beginning January 28, 2010

Submitted by:


Title: Director, Rates

Date Submitted: January 15, 2010

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of December 2009

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

		Environmental Compliance Plans
(1) RB	= \$	1,317,124,291
(2) RB / 12	= \$	109,760,358
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.00%
(4) OE	= \$	4,294,370
(5) BAS	= \$	(5,746)
(6) BR	= \$	-
(7) E(m)	= \$	16,373,755
	$(2) \times (3) + (4) - (5) + (6)$	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	83.85%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,729,394
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 08-510 & 09-310	=	1,295,210
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,024,604
(13) Revenue Collected through Base Rates	= \$	4,235,223
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	10,789,381
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	88,073,789
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	12.25%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2009

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 858,123,899	
Eligible Pollution CWIP Excluding AFUDC	618,114,739	
Subtotal		\$ 1,476,238,638
Additions:		
Inventory - Limestone	\$ 534,344	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	973,357	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	903,942	
Cash Working Capital Allowance	1,761,854	
Subtotal		3,123,667
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	75,758,744	
Pollution Control Deferred Income Taxes	58,646,896	
Pollution Control Deferred Investment Tax Credit	27,832,374	
Subtotal		162,238,014
Environmental Compliance Rate Base		\$ 1,317,124,291

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,418,483
Monthly Depreciation & Amortization Expense	2,534,645
Monthly Taxes Other Than Income Taxes	151,259
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	194,845
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	189,983
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 4,294,370

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	44,852	50,597	(5,746)
Total Proceeds from Sales	\$ 44,852	\$ 50,597	\$ (5,746)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: December 31, 2009

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	55,681.36	55,854.00		43,560.00	67,975.36	
Dollars	\$ 414,324.41	\$ 459,505.50		\$ 339,485.50	\$ 534,344.41	
\$/Ton	\$ 7.44	\$ 8.23		\$7.79	\$7.86	
At E. W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton						

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 457,871.07

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2009

(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	Unamortized ITC as of 1/0/1900	Deferred Tax Balance as of 1/0/1900	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,589,196	\$ -	\$ 8,186,345	\$ -	\$ 1,168,610	\$ 20,725	\$ 1,054
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 32,352,598	\$ 1,142,172	\$ 185,753,852	\$ -	\$ 31,598,249	\$ 558,726	\$ 24,045
Subtotal	\$ 226,739,818	\$ 33,941,794	\$ 1,142,172	\$ 193,940,196	\$ -	\$ 32,766,859	\$ 579,451	\$ 25,098
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 32,979,938	\$ 1,142,172	\$ 192,181,506	\$ -	\$ 32,542,691	\$ 572,711	\$ 24,878
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,200,609	\$ -	\$ 13,947,686	\$ -	\$ 2,450,106	\$ 37,545	\$ 1,799
Subtotal	\$ 16,148,295	\$ 2,200,609	\$ -	\$ 13,947,686	\$ -	\$ 2,450,106	\$ 37,545	\$ 1,799
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,200,609	\$ -	\$ 13,947,686	\$ -	\$ 2,450,106	\$ 37,545	\$ 1,799
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 44,904	\$ -	\$ 790,142	\$ -	\$ 53,727	\$ 1,941	\$ 101
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 922,730	\$ 27,733,870	\$ 46,508,302	\$ -	\$ 1,356,443	\$ 45,960	\$ 5,184
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 592,380,842	\$ 41,509,950	\$ 391,359,463	\$ 942,230,356	\$ -	\$ 22,679,621	\$ 1,861,835	\$ 99,314
Subtotal	\$ 612,913,050	\$ 42,477,584	\$ 419,093,333	\$ 989,528,800	\$ -	\$ 24,089,790	\$ 1,909,736	\$ 104,599
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 608,205,665	\$ 40,251,992	\$ 419,093,333	\$ 987,047,006	\$ -	\$ 23,248,943	\$ 1,901,005	\$ 104,289

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense**

For the Month Ended: December 31, 2009

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 1/0/1900	(7) Deferred Tax Balance as of 1/0/1900	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 185,549,159	\$ 185,549,159	\$ 27,832,374	\$ -	\$ -	\$ 18,887
Project 24 - Sorbent Injection	\$ 7,397,285	\$ 243,347	\$ 5,353,987	\$ 12,507,926	\$ -	\$ 359,344	\$ 16,679	\$ 1,240
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 61,825	\$ -	\$ 970,128	\$ -	\$ 32,624	\$ 3,424	\$ 146
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 33,869	\$ (12,158)	\$ 1,308,093	\$ -	\$ 15,462	\$ 3,388	\$ 39
Subtotal	\$ 9,783,357	\$ 339,040	\$ 190,890,989	\$ 200,335,306	\$ 27,832,374	\$ 407,430	\$ 23,491	\$ 20,312
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691)	\$ (12,835)	\$ -	\$ (19,856)	\$ -	\$ (2,274)	\$ (107)	\$ (19)
Net Total - 2006 Plan:	\$ 9,750,666	\$ 326,205	\$ 190,890,989	\$ 200,315,450	\$ 27,832,374	\$ 405,156	\$ 23,384	\$ 20,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 701,218	\$ 701,218	\$ -	\$ -	\$ -	\$ -
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 23,404	\$ 23,404	\$ -	\$ -	\$ -	\$ -
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 5,442,681	\$ 5,442,681	\$ -	\$ -	\$ -	\$ -
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 820,942	\$ 820,942	\$ -	\$ -	\$ -	\$ -
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 6,988,244	\$ 6,988,244	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 6,988,244	\$ 6,988,244	\$ -	\$ -	\$ -	\$ -
Net Total - All Plans:	\$ 858,123,899	\$ 75,758,744	\$ 618,114,739	\$ 1,400,479,893	\$ 27,832,374	\$ 58,646,896	\$ 2,534,645	\$ 151,259

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances

For the Month Ended: December 31, 2009

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	32,472	2,024	4,393	\$ 940,258.66	\$ -	\$ 34,817.24	
2010	77,535	15,158	6,683				
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029 - 2039	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of December 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	39,201	0	6,729	0	0	32,472	
Dollars	\$ 1,135,103.47	\$ -	\$ 194,844.81	\$ -	\$ -	\$ 940,258.66	
\$/Allowance	\$ 28.96	\$ -	\$ 28.96	\$ -	\$ -	\$ 28.96	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	39,163	-	6,729	-	-	32,434	
Dollars	\$ 1,134,003.14	\$ -	\$ 194,844.81	\$ -	\$ -	\$ 939,158.33	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 1,100.33	\$ -	\$ -	\$ -	\$ -	\$ 1,100.33	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of December 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,393	0	0	0	0	4,393	
Dollars	\$ 34,817.24	\$ -	\$ -	\$ -	\$ -	\$ 34,817.24	
\$/Allowance	\$ 7.93	\$ -	\$ -	\$ -	\$ -	\$ 7.93	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,315	-	-	-	-	4,315	
Dollars	\$ 34,199.04	\$ -	\$ -	\$ -	\$ -	\$ 34,199.04	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	78	-	-	-	-	78	
Dollars	\$ 618.20	\$ -	\$ -	\$ -	\$ -	\$ 618.20	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2009

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,445	0	1,420	1	1,000	2,024	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,362	-	1,420	-	-	2,942	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	83	0	0	1	0	82	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	0	0	0	1,000	(1,000)	Allowances transferred to LG&E
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2009

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 945,823
10th Previous Month	632,411
9th Previous Month	1,162,944
8th Previous Month	1,249,691
7th Previous Month	1,240,252
6th Previous Month	1,184,920
5th Previous Month	1,045,141
4th Previous Month	1,340,451
3rd Previous Month	1,286,063
2nd Previous Month	1,311,386
Previous Month	1,277,270
Current Month	1,418,483
Total 12 Month O&M	\$ 14,094,835

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,094,835
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,761,854

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2009

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation – Consumables		311,861.64				311,861.64
506105 - NOx Operation – Labor and Other		0.00				0.00
512101 - NOx Maintenance		26,197.58				26,197.58
Total 2001 Plan O&M Expenses		338,059.22				338,059.22
2005 Plan						
502006 - Scrubber Operations	-	249,169.11				249,169.11
512005 - Scrubber Maintenance	-	292,905.59				292,905.59
Total 2005 Plan O&M Expenses	-	542,074.70				542,074.70
2006 Plan						
506109 - Sorbent Injection Operation		535,531.26			-	535,531.26
512102 - Sorbent Injection Maintenance		2,817.55			-	2,817.55
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	538,348.81	-	-	-	538,348.81
2009 Plan						
506104 - NOx Operation – Consumables	-					-
506105 - NOx Operation – Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,418,482.73	-	-	-	1,418,482.73

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2009

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: December 31, 2009

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

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2009

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Green River	Tyrone	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 33							
(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 33 [(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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m)

For the Month Ended: December 31, 2009

(1) Month	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	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-09	\$ 97,212,285	\$ 4,081,788	\$ 1,915,396	\$ 7,615,494	\$ 110,824,963	\$ 103,209,469	\$ 19,944,827	\$ 130,769,790	\$ 123,154,296
Feb-09	94,737,619	6,517,796	1,770,598	6,688,271	109,714,284	103,026,013	16,175,231	125,889,515	119,201,244
Mar-09	79,073,266	4,236,244	1,236,800	5,529,205	90,075,515	84,546,310	14,728,775	104,804,290	99,275,085
Apr-09	79,755,298	8,174,078	840,441	5,801,057	94,570,875	88,769,818	12,485,494	107,056,369	101,255,312
May-09	69,322,766	4,718,187	629,731	6,846,073	81,516,758	74,670,685	13,588,043	95,104,801	88,258,728
Jun-09	81,386,154	3,830,509	792,159	9,264,170	95,272,992	86,008,822	12,312,017	107,585,009	98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,799	85,836,672
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 88,073,789			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									83.85%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	\$ 3,168.16	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2009

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 91,427,505.98	\$ 91,427,505.98
Fuel Adjustment Clause	276,949.21	276,949.21
DSM	992,421.99	992,421.99
Environmental Surcharge		11,126,810.25
CSR Credits		(456,993.60)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 92,696,877.18	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 432.46	432.46
Virginia Retail	7,580,856.63	7,580,856.63
Wholesale	7,789,276.85	7,789,276.85
InterSystem (Total Less Transmission Portion Booked in Account 447)	2,480,635.67	2,480,635.67
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,851,201.61	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 110,548,078.79	
Reconciling Revenues		
Brokered	3,168.16	3,168.16
InterSystem (Transmission Portion Booked in Account 447)		-
Unbilled		9,803,000.00
Provision for Refund		(311,000.00)
Miscellaneous		3,220,210.18
Total Company Revenues per Income Statement =		\$ 133,933,273.78



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

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

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FEB 16 2010

**PUBLIC SERVICE
COMMISSION**

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

February 16, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of January 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00310, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 26, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00


**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 9,406,314

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 10.64%

Effective Date for Billing: March billing cycle beginning February 26, 2010

Submitted by: 

Title: Director, Rates

Date Submitted: February 16, 2010

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2010

Calculation of Total E(m)

$E(m) = \{(RB / 12) (ROR + (ROR - DR) \times TR / (1 - TR))\} + OE - BAS + BR$, 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	= \$ 1,322,992,882
(2)	RB / 12	= \$ 110,249,407
(3)	$(ROR + (ROR - DR) \times TR / (1 - TR))$	= 11.00%
(4)	OE	= \$ 4,263,833
(5)	BAS	= \$ (100)
(6)	BR	= \$ -
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$ 16,391,368

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	= 84.36%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$ 13,827,758
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00310	= 636,994
(11)	Prior Period Adjustment (if necessary)	= -
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= 14,464,752
(13)	Revenue Collected through Base Rates	= \$ 5,058,438
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$ 9,406,314
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 88,430,092
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	= 10.64%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 858,123,899	
Eligible Pollution CWIP Excluding AFUDC	628,102,675	
Subtotal		\$ 1,486,226,574
Additions:		
Inventory - Limestone	\$ 646,575	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	910,308	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	840,893	
Cash Working Capital Allowance	1,830,515	
Subtotal		3,241,509
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	78,308,967	
Pollution Control Deferred Income Taxes	60,181,829	
Pollution Control Deferred Investment Tax Credit	27,984,405	
Subtotal		166,475,201
Environmental Compliance Rate Base		\$ 1,322,992,882

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,495,108
Monthly Depreciation & Amortization Expense	2,534,645
Monthly Taxes Other Than Income Taxes	175,043
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	63,899
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	59,037
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 4,263,833

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	50,497	50,597	(100)
Total Proceeds from Sales	\$ 50,497	\$ 50,597	\$ (100)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: January 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	67,975.36	52,112.00		40,949.00	79,138.36	
Dollars	\$ 534,344.41	\$ 444,664.69		\$ 332,434.29	\$ 646,574.81	
\$/Ton	\$ 7.86	\$ 8.53		\$8.12	\$8.17	
At E. W. Brown:						
Tons	0.00	608.81	(378.00)	0.00	230.81	Limestone purchased to test limestone handling system.
Dollars	\$ -	\$ 6,830.85	\$ (4,241.16)	\$ -	\$ 2,589.69	After testing, it was ground up and turned into slurry.
\$/Ton		\$ 11.22	\$ 11.22		\$ 11.22	The remaining balance is inventory on the ground.

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 572,691.16

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: January 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	Unamortized ITC as of 1/31/2010	Deferred Tax Balance as of 1/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541.00	\$ 1,609,921.94	\$ -	\$ 8,165,619.06	\$ -	\$ 1,174,685.59	\$ 20,725.45	\$ 1,023.29
Project 17 - KU Nox SCR's	\$ 216,964,277.44	\$ 32,911,323.27	\$ 1,142,172.16	\$ 185,195,126.33	\$ -	\$ 31,640,752.61	\$ 558,725.53	\$ 23,219.23
Subtotal	\$ 226,739,818.44	\$ 34,521,245.21	\$ 1,142,172.16	\$ 193,360,745.39	\$ -	\$ 32,815,438.20	\$ 579,450.98	\$ 24,242.52
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546.00)	\$ (961,856.00)	\$ -	\$ (1,758,690.00)	\$ -	\$ (224,168.00)	\$ (6,740.14)	\$ (219.84)
Net Total - 2001 Plan:	\$ 224,019,272.44	\$ 33,559,389.21	\$ 1,142,172.16	\$ 191,602,055.39	\$ -	\$ 32,591,270.20	\$ 572,710.84	\$ 24,022.68
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295.00	\$ 2,238,153.68	\$ -	\$ 13,910,141.32	\$ -	\$ 2,454,181.79	\$ 37,544.79	\$ 1,743.46
Subtotal	\$ 16,148,295.00	\$ 2,238,153.68	\$ -	\$ 13,910,141.32	\$ -	\$ 2,454,181.79	\$ 37,544.79	\$ 1,743.46
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295.00	\$ 2,238,153.68	\$ -	\$ 13,910,141.32	\$ -	\$ 2,454,181.79	\$ 37,544.79	\$ 1,743.46
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,045.89	\$ 46,845.43	\$ -	\$ 788,200.46	\$ -	\$ 55,396.13	\$ 1,941.48	\$ 98.77
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162.00	\$ 968,689.96	\$ 28,176,863.77	\$ 46,905,335.81	\$ -	\$ 1,432,242.40	\$ 45,960.04	\$ 5,813.53
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 592,380,842.39	\$ 43,371,784.32	\$ 398,765,873.42	\$ 947,774,931.49	\$ -	\$ 24,060,146.55	\$ 1,861,834.52	\$ 117,778.79
Subtotal	\$ 612,913,050.28	\$ 44,387,319.71	\$ 426,942,737.19	\$ 995,468,467.76	\$ -	\$ 25,547,785.08	\$ 1,909,736.04	\$ 123,691.09
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385.18)	\$ (2,225,591.71)	\$ -	\$ (2,481,793.47)	\$ -	\$ (840,847.34)	\$ (8,730.55)	\$ (310.17)
Net Total - 2005 Plan:	\$ 608,205,665.10	\$ 42,161,728.00	\$ 426,942,737.19	\$ 992,986,674.29	\$ -	\$ 24,706,937.74	\$ 1,901,005.49	\$ 123,380.92

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: January 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	Unamortized ITC as of 1/31/2010	Deferred Tax Balance as of 1/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 186,562,702.93	\$ 186,562,702.93	\$ 27,984,405.44	\$ -	\$ -	\$ 23,193.64
Project 24 - Sorbent Injection	\$ 7,397,284.96	\$ 260,025.54	\$ 5,353,987.30	\$ 12,491,246.72	\$ -	\$ 379,815.12	\$ 16,678.84	\$ 1,563.49
Project 25 - Mercury Monitors	\$ 1,031,952.96	\$ 65,248.54	\$ -	\$ 966,704.42	\$ -	\$ 34,478.70	\$ 3,423.89	\$ 121.25
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119.41	\$ 37,257.01	\$ (11,063.05)	\$ 1,305,799.35	\$ -	\$ 17,419.89	\$ 3,388.41	\$ 163.51
Subtotal	\$ 9,783,357.33	\$ 362,531.09	\$ 191,905,627.18	\$ 201,326,453.42	\$ 27,984,405.44	\$ 431,713.71	\$ 23,491.14	\$ 25,041.89
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691.00)	\$ (12,835.00)	\$ -	\$ (19,856.00)	\$ -	\$ (2,274.00)	\$ (107.00)	\$ (19.00)
Net Total - 2006 Plan:	\$ 9,750,666.33	\$ 349,696.09	\$ 191,905,627.18	\$ 201,306,597.42	\$ 27,984,405.44	\$ 429,439.71	\$ 23,384.14	\$ 25,022.89
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 1,104,250.89	\$ 1,104,250.89	\$ -	\$ -	\$ -	\$ 87.65
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 25,531.97	\$ 25,531.97	\$ -	\$ -	\$ -	\$ 2.93
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 5,900,709.57	\$ 5,900,709.57	\$ -	\$ -	\$ -	\$ 680.34
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,081,646.06	\$ 1,081,646.06	\$ -	\$ -	\$ -	\$ 102.62
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 8,112,138.49	\$ 8,112,138.49	\$ -	\$ -	\$ -	\$ 873.54
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 8,112,138.49	\$ 8,112,138.49	\$ -	\$ -	\$ -	\$ 873.54
Net Total - All Plans:	\$ 858,123,898.87	\$ 78,308,966.98	\$ 628,102,675.02	\$ 1,407,917,606.91	\$ 27,984,405.44	\$ 60,181,829.44	\$ 2,534,645.26	\$ 175,043.49

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances

For the Month Ended: January 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	102,531	15,507	11,076	\$ 876,359.32	\$ -	\$ 34,817.24	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2039	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	110,007	0	7,476	0	0	102,531	Includes 77,535 allowances for 2010
Dollars	\$ 940,258.66	\$ -	\$ 63,899.34	\$ -	\$ -	\$ 876,359.32	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	109,969	-	7,476	-	-	102,493	
Dollars	\$ 939,158.33	\$ 775.53	\$ 63,899.34	\$ -	\$ -	\$ 876,034.52	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 1,100.33	\$ (775.53)	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of January 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY. ALL CLASSIFICATIONS							
Quantity	11,076	0	0	0	0	11,076	Includes 6,683 allowances 2010
Dollars	\$ 34,817.24	\$ -	\$ -	\$ -	\$ -	\$ 34,817.24	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,903	-	-	-	-	10,903	
Dollars	\$ 34,199.04	\$ 74.38	\$ -	\$ -	\$ -	\$ 34,273.42	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	-	-	173	
Dollars	\$ 618.20	\$ (74.38)	\$ -	\$ -	\$ -	\$ 543.82	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of January 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	17,182	0	1,666	9	0	15,507	Includes 15,158 allowances for 2010
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	16,966	-	1,666	-	-	15,300	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	216	0	0	9	0	207	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 632,411
10th Previous Month	1,162,944
9th Previous Month	1,249,691
8th Previous Month	1,240,252
7th Previous Month	1,184,920
6th Previous Month	1,045,141
5th Previous Month	1,340,451
4th Previous Month	1,286,063
3rd Previous Month	1,311,386
2nd Previous Month	1,277,270
Previous Month	1,418,483
Current Month	1,495,108
Total 12 Month O&M	\$ 14,644,120

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,644,120
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,830,515

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		228,922.76				228,922.76
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		20,915.57				20,915.57
Total 2001 Plan O&M Expenses		249,838.33				249,838.33
2005 Plan						
502006 - Scrubber Operations	-	256,941.29				256,941.29
512005 - Scrubber Maintenance	-	288,158.24				288,158.24
Total 2005 Plan O&M Expenses	-	545,099.53				545,099.53
2006 Plan						
506109 - Sorbent Injection Operation		683,311.97			-	683,311.97
512102 - Sorbent Injection Maintenance		16,857.70			-	16,857.70
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	700,169.67	-	-	-	700,169.67
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,495,107.53	-	-	-	1,495,107.53

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: January 31, 2010

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

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: January 31, 2010

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Green River	Tyrone	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 33							
(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 33 [(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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m)

For the Month Ended: January 31, 2010

(1) Month	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	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-09	\$ 94,737,619	\$ 6,517,796	\$ 1,770,598	\$ 6,688,271	\$ 109,714,284	\$ 103,026,013	\$ 16,175,251	\$ 125,889,515	\$ 119,201,244
Mar-09	79,073,266	4,236,244	1,236,800	5,529,205	90,075,515	84,546,310	14,728,775	104,804,290	99,275,085
Apr-09	79,755,298	8,174,078	840,441	5,801,057	94,570,875	88,769,818	12,485,494	107,056,369	101,255,312
May-09	69,322,766	4,718,187	629,731	6,846,073	81,516,758	74,670,685	13,588,043	95,104,801	88,258,728
Jun-09	81,386,154	3,830,509	792,159	9,264,170	95,272,992	86,008,822	12,312,017	107,585,009	98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,799	85,836,672
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 88,430,092			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									84.36%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ 5,970.79	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 108,008,979	\$ 108,008,979
Fuel Adjustment Clause	\$ (2,482,512)	\$ (2,482,512)
DSM	\$ 1,958,642	\$ 1,958,642
Environmental Surcharge		\$ 14,951,912
CSR Credits		\$ (442,517)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 107,485,109	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 495	\$ 495
Virginia Retail	\$ 8,965,174	\$ 8,965,174
Wholesale	\$ 9,260,199	\$ 9,260,199
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,700,753	\$ 1,700,753
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 19,926,620	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 127,411,729	
Reconciling Revenues		
Brokered	\$ 5,971	\$ 5,971
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (5,563,000)
Provision for Refund		\$ (458,769)
Miscellaneous		\$ 351,290
Total Company Revenues per Income Statement =		\$ 136,256,615



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

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

RECEIVED

March 19, 2010

MAR 19 2010

RE: Monthly Environmental Surcharge Report

PUBLIC SERVICE
COMMISSION

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

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of February 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00310, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after March 30, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

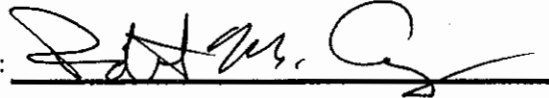
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2010**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ (2,896,009)

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = -3.26%

Effective Date for Billing: April billing cycle beginning March 30, 2010

Submitted by:



Title: Director, Rates

Date Submitted: March 19, 2010

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 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
 BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1) RB	= \$		1,330,252,270
(2) RB / 12	= \$		110,854,356
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		11.00%
(4) OE	= \$		4,208,381
(5) BAS	= \$		(18,360)
(6) BR	= \$		-
(7) E(m)		(2) x (3) + (4) - (5) + (6)	= \$ 16,420,720

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	81.71%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,417,370
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00310	=	636,994
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,054,364
(13)	Revenue Collected through Base Rates	= \$	16,950,373
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(2,896,009)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	88,947,230
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	-3.26%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 858,123,899	
Eligible Pollution CWIP Excluding AFUDC	639,569,527	
Subtotal		\$ 1,497,693,426
Additions:		
Inventory - Limestone	\$ 525,459	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	854,016	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	784,601	
Cash Working Capital Allowance	1,932,372	
Subtotal		3,165,959
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	80,859,190	
Pollution Control Deferred Income Taxes	61,716,763	
Pollution Control Deferred Investment Tax Credit	28,031,162	
Subtotal		170,607,115
Environmental Compliance Rate Base		\$ 1,330,252,270

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,447,263
Monthly Depreciation & Amortization Expense	2,534,645
Monthly Taxes Other Than Income Taxes	175,043
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	56,292
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	51,430
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,208,381

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	32,238	50,597	(18,360)
Total Proceeds from Sales	\$ 32,238	\$ 50,597	\$ (18,360)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: February 28, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	79,138.36	38,961.00		54,875.00	63,224.36	
Dollars	\$ 646,574.81	\$ 334,324.11		\$ 455,440.04	\$ 525,458.88	
\$/Ton	\$ 8.17	\$ 8.58		\$8.30	\$8.31	
At E. W. Brown:						
Tons	230.81	0.00	0.00		230.81	
Dollars	\$ 2,589.69	\$ -	\$ -	\$ -	\$ 2,589.69	
\$/Ton	\$ 11.22				\$ 11.22	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 451,575.23

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 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	Unamortized ITC as of 2/28/2010	Deferred Tax Balance as of 2/28/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,630,647	\$ -	\$ 8,144,894	\$ -	\$ 1,180,762	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 33,470,049	\$ 1,142,172	\$ 184,636,401	\$ -	\$ 31,683,256	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 35,100,696	\$ 1,142,172	\$ 192,781,294	\$ -	\$ 32,864,018	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 34,138,840	\$ 1,142,172	\$ 191,022,604	\$ -	\$ 32,639,850	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,275,698	\$ -	\$ 13,872,597	\$ -	\$ 2,458,258	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,275,698	\$ -	\$ 13,872,597	\$ -	\$ 2,458,258	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,275,698	\$ -	\$ 13,872,597	\$ -	\$ 2,458,258	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 48,787	\$ -	\$ 786,259	\$ -	\$ 57,065	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,014,650	\$ 28,763,242	\$ 47,445,754	\$ -	\$ 1,508,042	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 592,380,842	\$ 45,233,619	\$ 407,107,233	\$ 954,254,456	\$ -	\$ 25,440,672	\$ 1,861,835	\$ 117,779
Subtotal	\$ 612,913,050	\$ 46,297,056	\$ 435,870,475	\$ 1,002,486,469	\$ -	\$ 27,005,780	\$ 1,909,736	\$ 123,691
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 608,205,665	\$ 44,071,464	\$ 435,870,475	\$ 1,000,004,676	\$ -	\$ 26,164,932	\$ 1,901,005	\$ 123,381

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 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	Unamortized ITC as of 2/28/2010	Deferred Tax Balance as of 2/28/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 186,874,415	\$ 186,874,415	\$ 28,031,162	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 7,397,285	\$ 276,704	\$ 5,353,987	\$ 12,474,568	\$ -	\$ 400,286	\$ 16,679	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 68,672	\$ -	\$ 963,281	\$ -	\$ 36,333	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 40,645	\$ (11,063)	\$ 1,302,411	\$ -	\$ 19,378	\$ 3,388	\$ 164
Subtotal	\$ 9,783,357	\$ 386,022	\$ 192,217,339	\$ 201,614,674	\$ 28,031,162	\$ 455,997	\$ 23,491	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691)	\$ (12,835)	\$ -	\$ (19,856)	\$ -	\$ (2,274)	\$ (107)	\$ (19)
Net Total - 2006 Plan:	\$ 9,750,666	\$ 373,187	\$ 192,217,339	\$ 201,594,818	\$ 28,031,162	\$ 453,723	\$ 23,384	\$ 25,023
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 2,615,040	\$ 2,615,040	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 33,138	\$ 33,138	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 6,230,748	\$ 6,230,748	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,460,616	\$ 1,460,616	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 10,339,541	\$ 10,339,541	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 10,339,541	\$ 10,339,541	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 858,123,899	\$ 80,859,190	\$ 639,569,527	\$ 1,416,834,236	\$ 28,031,162	\$ 61,716,763	\$ 2,534,645	\$ 175,043

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances

For the Month Ended: February 28, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	95,945	15,304	11,076	\$ 820,067.05	\$ -	\$ 34,817.24	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2039	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	102,531	0	6,586	0	0	95,945	
Dollars	\$ 876,359.32	\$ -	\$ 56,292.27	\$ -	\$ -	\$ 820,067.05	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	102,493	-	6,586	-	-	95,907	
Dollars	\$ 876,034.52	\$ -	\$ 56,292.27	\$ -	\$ -	\$ 819,742.25	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of February 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,076	0	0	0	0	11,076	
Dollars	\$ 34,817.24	\$ -	\$ -	\$ -	\$ -	\$ 34,817.24	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,903	-	-	-	-	10,903	
Dollars	\$ 34,273.42	\$ -	\$ -	\$ -	\$ -	\$ 34,273.42	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	-	-	173	
Dollars	\$ 543.82	\$ -	\$ -	\$ -	\$ -	\$ 543.82	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of February 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15,507	1,272	1,472	3	0	15,304	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,300	1,270	1,472	-	-	15,098	Allocation reflects addition of 2009 early reduction credits
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	207	2	0	3	0	206	Allocation reflects addition of 2009 early reduction credits
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,162,944
10th Previous Month	1,249,691
9th Previous Month	1,240,252
8th Previous Month	1,184,920
7th Previous Month	1,045,141
6th Previous Month	1,340,451
5th Previous Month	1,286,063
4th Previous Month	1,311,386
3rd Previous Month	1,277,270
2nd Previous Month	1,418,483
Previous Month	1,495,108
Current Month	1,447,263
Total 12 Month O&M	\$ 15,458,972

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,458,972
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,932,372

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 28, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		251,439.48				251,439.48
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		22,281.95				22,281.95
Total 2001 Plan O&M Expenses		273,721.43				273,721.43
2005 Plan						
502006 - Scrubber Operations	-	356,080.08				356,080.08
512005 - Scrubber Maintenance	-	164,525.53				164,525.53
Total 2005 Plan O&M Expenses	-	520,605.61				520,605.61
2006 Plan						
506109 - Sorbent Injection Operation		649,877.67			-	649,877.67
512102 - Sorbent Injection Maintenance		3,058.01			-	3,058.01
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	652,935.68	-	-	-	652,935.68
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,447,262.72	-	-	-	1,447,262.72

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: February 28, 2010

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m)

For the Month Ended: February 28, 2010

(1)	Kentucky Jurisdictional Revenues					(7)	Non-Jurisdictional Revenues	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)		(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)
Mar-09	\$ 79,073,266	\$ 4,236,244	\$ 1,236,800	\$ 5,529,205	\$ 90,075,515	\$ 84,546,310	\$ 14,728,775	\$ 104,804,290	\$ 99,275,085
Apr-09	79,755,298	8,174,078	840,441	5,801,057	94,570,875	88,769,818	12,485,494	107,056,369	101,255,312
May-09	69,322,766	4,718,187	629,731	6,846,073	81,516,758	74,670,685	13,588,043	95,104,801	88,258,728
Jun-09	81,386,154	3,830,509	792,159	9,264,170	95,272,992	86,008,822	12,312,017	107,585,009	98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,799	85,836,672
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 88,947,230			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									81.71%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$ 4,464.13		

ES FORM 3.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,658,969	\$ 106,658,969
Fuel Adjustment Clause	\$ 886,866	\$ 886,866
DSM	\$ 1,685,828	\$ 1,685,828
Environmental Surcharge		\$ 13,417,060
CSR Credits		\$ (450,249)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 109,231,663	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 438	\$ 438
Virginia Retail	\$ 7,814,046	\$ 7,814,046
Wholesale	\$ 12,414,625	\$ 12,414,625
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 4,213,667	\$ 4,213,667
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 24,442,776	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 133,674,439	
Reconciling Revenues		
Brokered	\$ 4,464	\$ 4,464
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 16,451,000
Provision for Refund		\$ (263,000)
Miscellaneous		\$ (3,652,770)
Total Company Revenues per Income Statement =		\$ 159,180,945



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

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

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APR 19 2010

**PUBLIC SERVICE
COMMISSION**

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

April 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of March 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00310, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after April 29, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00


**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 2,033,358

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.24%

Effective Date for Billing: May billing cycle beginning April 29, 2010

Submitted by: 

Title: Director, Rates

Date Submitted: April 19, 2010

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of March 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
BR = Beneficial Reuse Operating Expenses

		Environmental Compliance Plans	
(1) RB	= \$		1,340,113,895
(2) RB / 12	= \$		111,676,158
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		11.00%
(4) OE	= \$		4,110,848
(5) BAS	= \$		(4,680)
(6) BR	= \$		-
(7) E(m)		(2) x (3) + (4) - (5) + (6)	= \$ 16,399,905

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	89.28%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,641,835
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00310	=	636,994
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,278,829
(13)	Revenue Collected through Base Rates	= \$	13,245,471
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,033,358
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	90,675,794
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	2.24%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 858,123,899	
Eligible Pollution CWIP Excluding AFUDC	653,812,006	
Subtotal		\$ 1,511,935,905
Additions:		
Inventory - Limestone	\$ 573,425	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	811,185	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	741,770	
Cash Working Capital Allowance	1,957,403	
Subtotal		3,196,124
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	83,409,413	
Pollution Control Deferred Income Taxes	63,251,697	
Pollution Control Deferred Investment Tax Credit	28,357,024	
Subtotal		175,018,134
Environmental Compliance Rate Base		\$ 1,340,113,895

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,363,192
Monthly Depreciation & Amortization Expense	2,534,645
Monthly Taxes Other Than Income Taxes	175,043
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	42,830
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	37,968
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,110,848

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	45,917	50,597	(4,680)
Total Proceeds from Sales	\$ 45,917	\$ 50,597	\$ (4,680)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: March 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	63,224.36	44,280.00		38,088.00	69,416.36	
Dollars	\$ 525,458.88	\$ 364,822.90	\$ 0.06	\$ 316,857.13	\$ 573,424.71	Adjustment for imbalance between GL and Fuelworx
\$/Ton	\$ 8.31	\$ 8.24		\$8.32	\$8.26	
At E.W. Brown:						
Tons	230.81	2,485.96	(26.00)		2,690.77	Adjustment for limestone converted to slurry
Dollars	\$ 2,589.69	\$ 27,892.46	\$ (291.72)	\$ -	\$ 30,190.43	for testing purposes
\$/Ton	\$ 11.22	\$ 11.22	\$ 11.22		\$ 11.22	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 527,141.80

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 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	Unamortized ITC as of 3/31/2010	Deferred Tax Balance as of 3/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,651,373	\$ -	\$ 8,124,168	\$ -	\$ 1,186,838	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 34,028,774	\$ 1,284,667	\$ 184,220,171	\$ -	\$ 31,725,760	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 35,680,147	\$ 1,284,667	\$ 192,344,339	\$ -	\$ 32,912,597	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 34,718,291	\$ 1,284,667	\$ 190,585,649	\$ -	\$ 32,688,429	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,313,243	\$ -	\$ 13,835,052	\$ -	\$ 2,462,333	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,313,243	\$ -	\$ 13,835,052	\$ -	\$ 2,462,333	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,313,243	\$ -	\$ 13,835,052	\$ -	\$ 2,462,333	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 50,728	\$ -	\$ 784,318	\$ -	\$ 58,735	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,060,610	\$ 29,364,844	\$ 48,001,396	\$ -	\$ 1,583,842	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 592,380,842	\$ 47,095,453	\$ 415,232,193	\$ 960,517,582	\$ -	\$ 26,821,198	\$ 1,861,835	\$ 117,779
Subtotal	\$ 612,913,050	\$ 48,206,792	\$ 444,597,037	\$ 1,009,303,295	\$ -	\$ 28,463,774	\$ 1,909,736	\$ 123,691
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 608,205,665	\$ 45,981,200	\$ 444,597,037	\$ 1,006,821,502	\$ -	\$ 27,622,927	\$ 1,901,005	\$ 123,381

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: March 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	Unamortized ITC as of 3/31/2010	Deferred Tax Balance as of 3/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 189,046,824	\$ 189,046,824	\$ 28,357,024	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent injection	\$ 7,397,285	\$ 293,383	\$ 5,353,987	\$ 12,457,889	\$ -	\$ 420,758	\$ 16,679	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 72,096	\$ -	\$ 959,857	\$ -	\$ 38,188	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 44,034	\$ (11,063)	\$ 1,299,023	\$ -	\$ 21,335	\$ 3,388	\$ 164
Subtotal	\$ 9,783,357	\$ 409,513	\$ 194,389,748	\$ 203,763,592	\$ 28,357,024	\$ 480,281	\$ 23,491	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691)	\$ (12,835)	\$ -	\$ (19,856)	\$ -	\$ (2,274)	\$ (107)	\$ (19)
Net Total - 2006 Plan:	\$ 9,750,666	\$ 396,678	\$ 194,389,748	\$ 203,743,736	\$ 28,357,024	\$ 478,007	\$ 23,384	\$ 25,023
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 3,516,876	\$ 3,516,876	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 103,111	\$ 103,111	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 8,370,862	\$ 8,370,862	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,521,847	\$ 1,521,847	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 27,858	\$ 27,858	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 13,540,553	\$ 13,540,553	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 13,540,553	\$ 13,540,553	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 858,123,899	\$ 83,409,413	\$ 653,812,006	\$ 1,428,526,492	\$ 28,357,024	\$ 63,251,697	\$ 2,534,645	\$ 175,043

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances**

For the Month Ended: March 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	90,934	14,059	11,076	\$ 777,236.72	\$ -	\$ 34,817.24	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2039	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of March 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	95,945	0	5,011	0	0	90,934	
Dollars	\$ 820,067.05	\$ -	\$ 42,830.33	\$ -	\$ -	\$ 777,236.72	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	95,907	-	5,011	-	-	90,896	
Dollars	\$ 819,742.25	\$ -	\$ 42,830.33	\$ -	\$ -	\$ 776,911.92	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
 For the Expense Month of March 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,076	0	0	0	0	11,076	
Dollars	\$ 34,817.24	\$ -	\$ -	\$ -	\$ -	\$ 34,817.24	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,903	-	-	-	-	10,903	
Dollars	\$ 34,273.42	\$ -	\$ -	\$ -	\$ -	\$ 34,273.42	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	-	-	173	
Dollars	\$ 543.82	\$ -	\$ -	\$ -	\$ -	\$ 543.82	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
 For the Expense Month of March 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15,304	0	1,245	0	0	14,059	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,098	-	1,245	-	-	13,853	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	0	0	0	0	206	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,249,691
10th Previous Month	1,240,252
9th Previous Month	1,184,920
8th Previous Month	1,045,141
7th Previous Month	1,340,451
6th Previous Month	1,286,063
5th Previous Month	1,311,386
4th Previous Month	1,277,270
3rd Previous Month	1,418,483
2nd Previous Month	1,495,108
Previous Month	1,447,263
Current Month	1,363,192
Total 12 Month O&M	\$ 15,659,220

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,659,220
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,957,403

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation – Consumables		248,215.90				248,215.90
506105 - NOx Operation – Labor and Other		0.00				0.00
512101 - NOx Maintenance		84,167.35				84,167.35
Total 2001 Plan O&M Expenses		332,383.25				332,383.25
2005 Plan						
502006 - Scrubber Operations	-	229,898.47				229,898.47
512005 - Scrubber Maintenance	-	235,190.64				235,190.64
Total 2005 Plan O&M Expenses	-	465,089.11				465,089.11
2006 Plan						
506109 - Sorbent Injection Operation		555,923.08			-	555,923.08
512102 - Sorbent Injection Maintenance		9,796.65			-	9,796.65
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation – Consumables					-	0.00
506105 - NOx Operation – Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	565,719.73	-	-	-	565,719.73
2009 Plan						
506104 - NOx Operation – Consumables	-					-
506105 - NOx Operation – Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,363,192.09	-	-	-	1,363,192.09

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: March 31, 2010

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: March 31, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Monthly Average Revenue Computation of R (m)

For the Month Ended: March 31, 2010

(1)	Kentucky Jurisdictional Revenues					(7)	Non-	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)		Jurisdictional	(8)	(9)
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)
Apr-09	\$ 79,755,298	\$ 8,174,078	\$ 840,441	\$ 5,801,057	\$ 94,570,875	\$ 88,769,818	\$ 12,485,494	\$ 107,056,369	\$ 101,255,312
May-09	69,322,766	4,718,187	629,731	6,846,073	81,516,758	74,670,685	13,588,043	95,104,801	88,258,728
Jun-09	81,386,154	3,830,509	792,159	9,264,170	95,272,992	86,008,822	12,312,017	107,585,009	98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,799	85,836,672
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 90,675,794			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									89.28%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$		485.67

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 99,982,694	\$ 99,982,694
Fuel Adjustment Clause	\$ 3,785,949	\$ 3,785,949
DSM	\$ 1,520,431	\$ 1,520,431
Environmental Surcharge		\$ 11,257,977
CSR Credits		\$ (6,114)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 105,289,075	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 344	\$ 344
Virginia Retail	\$ 8,000,744	\$ 8,000,744
Wholesale	\$ 3,567,677	\$ 3,567,677
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,070,146	\$ 1,070,146
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 12,638,911	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 117,927,986	
Reconciling Revenues		
Brokered	\$ 486	\$ 486
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (20,421,899)
Provision for Refund		\$ (266,000)
Miscellaneous		\$ (24,392,434)
Total Company Revenues per Income Statement =		\$ 84,100,003



RECEIVED

MAY 17 2010

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

May 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2009-00310, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after May 27, 2010.

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.

It has also come to my attention that on ES Form 2.10 the Company has inadvertently included project costs in its CWIP balance that should have been included in Plant in Service as of July 2008. The CWIP and Plant in Service balances reported on ES Form 2.10 in this month's filing reflect the correct balances. The cumulative effect on rate base, depreciation expense and property tax expense will be provided in a subsequent filing.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a long horizontal line extending to the right.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES 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 = \$ 8,437,403

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 9.29%

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

Submitted by:



Title: Director, Rates

Date Submitted: May 17, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1) RB		= \$	1,346,901,929
(2) RB / 12		= \$	112,241,827
(3) (ROR + (ROR - DR) (TR / (1 - TR)))		=	11.00%
(4) OE		= \$	3,920,867
(5) BAS		= \$	(242,371)
(6) BR		= \$	-
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	16,509,839

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.37%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,424,646
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00310	=	636,995
(11)	Prior Period Adjustment (if necessary)	=	3,913,660
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	18,975,301
(13)	Revenue Collected through Base Rates	= \$	10,537,898
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	8,437,403
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	90,787,105
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	9.29%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 865,927,225	
Eligible Pollution CWIP Excluding AFUDC	657,956,527	
Subtotal		\$ 1,523,883,752
Additions:		
Inventory - Limestone	\$ 590,113	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	777,236	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	707,821	
Cash Working Capital Allowance	1,945,894	
Subtotal		3,167,354
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	86,544,835	
Pollution Control Deferred Income Taxes	65,187,243	
Pollution Control Deferred Investment Tax Credit	28,417,099	
Subtotal		180,149,177
Environmental Compliance Rate Base		\$ 1,346,901,929

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,157,625
Monthly Depreciation & Amortization Expense	2,559,171
Monthly Taxes Other Than Income Taxes	174,983
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	33,950
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	29,088
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 3,920,867

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 44,024	\$ 286,166	\$ (242,142)
Scrubber By-Products Sales	50,369	50,597	(229)
Total Proceeds from Sales	\$ 94,392	\$ 336,763	\$ (242,371)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: April 30, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	69,416.36	44,365.00		41,777.00	72,004.36	
Dollars	\$ 573,424.71	\$ 362,007.62	\$ -	\$ 345,319.83	\$ 590,112.50	
\$/Ton	\$ 8.26	\$ 8.16		\$8.27	\$8.20	
At E.W. Brown:						
Tons	2,690.77	0.00	(811.00)		1,879.77	Adjustment for limestone converted to slurry
Dollars	\$ 30,190.43	\$ -	\$ (9,099.42)	\$ -	\$ 21,091.01	for testing purposes
\$/Ton	\$ 11.22		\$ 11.22		\$ 11.22	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 534,730.17

KENTUCKY UTILITIES 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	Unamortized ITC as of 4/30/2010	Deferred Tax Balance as of 4/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,672,098	\$ -	\$ 8,103,443	\$ -	\$ 1,192,914	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 34,587,500	\$ 1,142,172	\$ 183,518,950	\$ -	\$ 31,768,263	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 36,259,598	\$ 1,142,172	\$ 191,622,392	\$ -	\$ 32,961,177	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 35,297,742	\$ 1,142,172	\$ 189,863,702	\$ -	\$ 32,737,009	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,350,788	\$ -	\$ 13,797,507	\$ -	\$ 2,466,409	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,350,788	\$ -	\$ 13,797,507	\$ -	\$ 2,466,409	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,350,788	\$ -	\$ 13,797,507	\$ -	\$ 2,466,409	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 52,670	\$ -	\$ 782,376	\$ -	\$ 60,404	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,106,570	\$ 30,593,277	\$ 49,183,869	\$ -	\$ 1,659,642	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 600,184,169	\$ 49,542,487	\$ 416,539,341	\$ 967,181,023	\$ -	\$ 28,602,336	\$ 1,886,360	\$ 117,718
Subtotal	\$ 620,716,377	\$ 50,701,727	\$ 447,132,618	\$ 1,017,147,268	\$ -	\$ 30,322,382	\$ 1,934,261	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 616,008,992	\$ 48,476,135	\$ 447,132,618	\$ 1,014,665,475	\$ -	\$ 29,481,535	\$ 1,925,531	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 4/30/2010	Deferred Tax Balance as of 4/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 189,447,329	\$ 189,447,329	\$ 28,417,099	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 7,397,285	\$ 310,062	\$ 5,353,987	\$ 12,441,210	\$ -	\$ 441,229	\$ 16,679	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 75,520	\$ -	\$ 956,433	\$ -	\$ 40,042	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 47,422	\$ (11,063)	\$ 1,295,634	\$ -	\$ 23,293	\$ 3,388	\$ 164
Subtotal	\$ 9,783,357	\$ 433,005	\$ 194,790,254	\$ 204,140,606	\$ 28,417,099	\$ 504,564	\$ 23,491	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (32,691)	\$ (12,835)	\$ -	\$ (19,856)	\$ -	\$ (2,274)	\$ (107)	\$ (19)
Net Total - 2006 Plan:	\$ 9,750,666	\$ 420,170	\$ 194,790,254	\$ 204,120,750	\$ 28,417,099	\$ 502,290	\$ 23,384	\$ 25,023
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 4,505,874	\$ 4,505,874	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 118,298	\$ 118,298	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 8,541,715	\$ 8,541,715	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 997,648	\$ 997,648	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 727,948	\$ 727,948	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 14,891,483	\$ 14,891,483	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 14,891,483	\$ 14,891,483	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 865,927,225	\$ 86,544,835	\$ 657,956,527	\$ 1,437,338,917	\$ 28,417,099	\$ 65,187,243	\$ 2,559,171	\$ 174,983

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: April 30, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	86,962	13,094	11,076	\$ 743,287.01	\$ -	\$ 34,817.24	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2039	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	90,934	0	3,972	0	0	86,962	
Dollars	\$ 777,236.72	\$ -	\$ 33,949.71	\$ -	\$ -	\$ 743,287.01	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	90,896	-	3,972	-	-	86,924	
Dollars	\$ 776,911.92	\$ -	\$ 33,949.71	\$ -	\$ -	\$ 742,962.21	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
 For the Expense Month of April 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,076	0	0	0	0	11,076	
Dollars	\$ 34,817.24	\$ -	\$ -	\$ -	\$ -	\$ 34,817.24	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,903	-	-	-	-	10,903	
Dollars	\$ 34,273.42	\$ -	\$ -	\$ -	\$ -	\$ 34,273.42	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	-	-	173	
Dollars	\$ 543.82	\$ -	\$ -	\$ -	\$ -	\$ 543.82	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of April 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	14,059	0	965	0	0	13,094	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,853	-	965	-	-	12,888	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	0	0	0	0	206	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,240,252
10th Previous Month	1,184,920
9th Previous Month	1,045,141
8th Previous Month	1,340,451
7th Previous Month	1,286,063
6th Previous Month	1,311,386
5th Previous Month	1,277,270
4th Previous Month	1,418,483
3rd Previous Month	1,495,108
2nd Previous Month	1,447,263
Previous Month	1,363,192
Current Month	1,157,625
Total 12 Month O&M	\$ 15,567,154

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,567,154
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,945,894

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		152,812.67				152,812.67
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		92,238.51				92,238.51
Total 2001 Plan O&M Expenses		245,051.18				245,051.18
2005 Plan						
502006 - Scrubber Operations	-	251,446.60				251,446.60
512005 - Scrubber Maintenance	-	118,686.66				118,686.66
Total 2005 Plan O&M Expenses	-	370,133.26				370,133.26
2006 Plan						
506109 - Sorbent Injection Operation		535,192.35			-	535,192.35
512102 - Sorbent Injection Maintenance		7,248.63			-	7,248.63
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	542,440.98	-	-	-	542,440.98
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,157,625.42	-	-	-	1,157,625.42

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: April 30, 2010

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: April 30, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	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	\$ 69,322,766	\$ 4,718,187	\$ 629,731	\$ 6,846,073	\$ 81,516,758	\$ 74,670,685	\$ 13,588,043	\$ 95,104,801	\$ 88,258,728
Jun-09	81,386,154	3,830,509	792,159	9,264,170	95,272,992	86,008,822	12,312,017	107,585,009	98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,799	85,836,672
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,311	103,125,284
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 90,787,105			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									87.37%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$	-

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 88,966,697	\$ 88,966,697
Fuel Adjustment Clause	\$ (74,718)	\$ (74,718)
DSM	\$ 1,213,575	\$ 1,213,575
Environmental Surcharge		\$ (2,363,973)
CSR Credits		\$ (931,115)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 90,105,554	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 201	\$ 201
Virginia Retail	\$ 5,709,762	\$ 5,709,762
Wholesale	\$ 6,684,941	\$ 6,684,941
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 624,826	\$ 624,826
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,019,730	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 103,125,285	
Reconciling Revenues		
Brokered	\$ -	\$ -
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (7,228,101)
Provision for Refund		\$ -
Miscellaneous		\$ 11,143,953
Total Company Revenues per Income Statement =		\$ 103,746,049

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RECEIVED
Conroy

JUN 18 2010

PUBLIC SERVICE
COMMISSION



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

Kentucky Utilities 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

June 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2009-00501, KU 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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

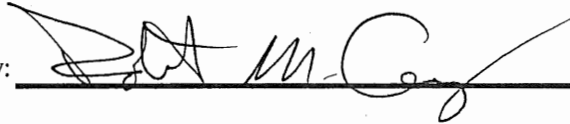
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2010**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 5,960,363

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 6.51%

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

Submitted by:



Title: Director, Rates

Date Submitted: June 18, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,355,942,350
(2) RB / 12	= \$	112,995,196
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	11.12%
(4) OE	= \$	4,191,416
(5) BAS	= \$	(6,404)
(6) BR	= \$	-
(7) E(m)	= \$	16,762,886
	(2) x (3) + (4) - (5) + (6)	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.68%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,530,070
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 09-310 & 09-501	=	1,254,646
(11) Prior Period Adjustment (if necessary)	=	
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,784,716
(13) Revenue Collected through Base Rates	= \$	9,824,353
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	5,960,363
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	91,514,672
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	6.51%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 871,228,077	
Eligible Pollution CWIP Excluding AFUDC	665,976,154	
Subtotal		\$ 1,537,204,231
Additions:		
Inventory - Limestone	\$ 470,137	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	740,520	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	671,105	
Cash Working Capital Allowance	1,968,249	
Subtotal		3,033,018
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	89,088,139	
Pollution Control Deferred Income Taxes	66,756,046	
Pollution Control Deferred Investment Tax Credit	28,450,714	
Subtotal		184,294,899
Environmental Compliance Rate Base		\$ 1,355,942,350

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,419,088
Monthly Depreciation & Amortization Expense	2,565,514
Monthly Taxes Other Than Income Taxes	174,960
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	36,716
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	31,854
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,191,416

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	44,194	50,597	(6,404)
Total Proceeds from Sales	\$ 44,194	\$ 50,597	\$ (6,404)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: May 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	72,004.36	34,605.00		49,130.00	57,479.36	
Dollars	\$ 590,112.50	\$ 284,395.38	\$ -	\$ 404,370.44	\$ 470,137.44	
\$/Ton	\$ 8.20	\$ 8.22		\$8.23	\$8.18	
At E.W. Brown:						
Tons	1,879.77	7,942.23	(2,883.00)		6,939.00	Adjustment for limestone converted to slurry
Dollars	\$ 21,091.01	\$ 89,350.12	\$ (32,417.20)	\$ -	\$ 78,023.93	for testing purposes
\$/Ton	\$ 11.22	\$ 11.25	\$ 11.24		\$ 11.24	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 471,688.03

KENTUCKY UTILITIES 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	Unamortized ITC as of 5/31/2010	Deferred Tax Balance as of 5/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,692,824	\$ -	\$ 8,082,717	\$ -	\$ 1,198,990	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 35,146,225	\$ 1,142,172	\$ 182,960,224	\$ -	\$ 31,810,767	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 36,839,049	\$ 1,142,172	\$ 191,042,941	\$ -	\$ 33,009,756	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 35,877,193	\$ 1,142,172	\$ 189,284,251	\$ -	\$ 32,785,588	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,388,333	\$ -	\$ 13,759,962	\$ -	\$ 2,470,485	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,388,333	\$ -	\$ 13,759,962	\$ -	\$ 2,470,485	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,388,333	\$ -	\$ 13,759,962	\$ -	\$ 2,470,485	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 54,611	\$ -	\$ 780,435	\$ -	\$ 62,073	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,152,530	\$ 31,922,967	\$ 50,467,599	\$ -	\$ 1,735,441	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 600,184,169	\$ 51,428,847	\$ 425,313,948	\$ 974,069,270	\$ -	\$ 30,001,761	\$ 1,886,360	\$ 117,718
Subtotal	\$ 620,716,377	\$ 52,635,988	\$ 457,236,915	\$ 1,025,317,303	\$ -	\$ 31,799,275	\$ 1,934,261	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 616,008,992	\$ 50,410,397	\$ 457,236,915	\$ 1,022,835,510	\$ -	\$ 30,958,428	\$ 1,925,531	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 5/31/2010	Deferred Tax Balance as of 5/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 189,671,429	\$ 189,671,429	\$ 28,450,714	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 333,201	\$ -	\$ 12,418,071	\$ -	\$ 482,818	\$ 23,139	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 78,944	\$ -	\$ 953,009	\$ -	\$ 41,896	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,354,119	\$ 50,811	\$ (11,063)	\$ 1,292,246	\$ -	\$ 25,251	\$ 3,388	\$ 164
Subtotal	\$ 15,137,344	\$ 462,955	\$ 189,660,366	\$ 204,334,755	\$ 28,450,714	\$ 549,966	\$ 29,951	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (85,826)	\$ (50,739)	\$ -	\$ (35,087)	\$ -	\$ (8,421)	\$ (223)	\$ (42)
Net Total - 2006 Plan:	\$ 15,051,518	\$ 412,216	\$ 189,660,366	\$ 204,299,669	\$ 28,450,714	\$ 541,545	\$ 29,727	\$ 25,000
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 7,085,567	\$ 7,085,567	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 124,756	\$ 124,756	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 8,946,090	\$ 8,946,090	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,052,388	\$ 1,052,388	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 727,900	\$ 727,900	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 17,936,700	\$ 17,936,700	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 17,936,700	\$ 17,936,700	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 871,228,077	\$ 89,088,139	\$ 665,976,154	\$ 1,448,116,093	\$ 28,450,714	\$ 66,756,046	\$ 2,565,514	\$ 174,960

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: May 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	82,990	12,210	10,192	\$ 709,337.28	\$ -	\$ 32,038.40	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2039	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	86,962	0	3,972	0	0	82,990	
Dollars	\$ 743,287.01	\$ -	\$ 33,949.73	\$ -	\$ -	\$ 709,337.28	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	86,924	-	3,972	-	-	82,952	
Dollars	\$ 742,962.21	\$ -	\$ 33,949.73	\$ -	\$ -	\$ 709,012.48	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,076	0	880	4	0	10,192	
Dollars	\$ 34,817.24	\$ -	\$ 2,766.27	\$ 12.57	\$ -	\$ 32,038.40	
\$/Allowance	\$ 3.14	\$ -	\$ 3.14	\$ 3.14	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,903	-	880	-	-	10,023	
Dollars	\$ 34,273.42	\$ -	\$ 2,766.27	\$ -	\$ -	\$ 31,507.15	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	4	-	169	
Dollars	\$ 543.82	\$ -	\$ -	\$ 12.57	\$ -	\$ 531.25	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	13,094	0	880	4	0	12,210	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,888	-	880	-	-	12,008	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	0	0	4	0	202	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,184,920
10th Previous Month	1,045,141
9th Previous Month	1,340,451
8th Previous Month	1,286,063
7th Previous Month	1,311,386
6th Previous Month	1,277,270
5th Previous Month	1,418,483
4th Previous Month	1,495,108
3rd Previous Month	1,447,263
2nd Previous Month	1,363,192
Previous Month	1,157,625
Current Month	1,419,088
Total 12 Month O&M	\$ 15,745,990

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,745,990
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,968,249

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		220,715.56				220,715.56
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		9,593.14				9,593.14
Total 2001 Plan O&M Expenses		230,308.70				230,308.70
2005 Plan						
502006 - Scrubber Operations	-	349,019.84				349,019.84
512005 - Scrubber Maintenance	-	105,636.14				105,636.14
Total 2005 Plan O&M Expenses	-	454,655.98				454,655.98
2006 Plan						
506109 - Sorbent Injection Operation		712,616.34			-	712,616.34
512102 - Sorbent Injection Maintenance		21,507.03			-	21,507.03
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	734,123.37	-	-	-	734,123.37
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)					-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	-	1,419,088.05	-	-	-	1,419,088.05

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: May 31, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Jun-09	\$ 81,386,154	\$ 3,830,509	\$ 792,159	\$ 9,264,170	\$ 95,272,992	\$ 86,008,822	\$ 12,312,017	\$ 107,585,009	\$ 98,320,839
Jul-09	82,059,052	(1,701,153)	905,261	9,580,287	90,843,447	81,263,160	14,094,535	104,937,982	95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,798	85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,491	12,813,334	97,990,373	96,214,825
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 91,514,672			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.68%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	6,349.04	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 82,226,032	\$ 82,226,032
Fuel Adjustment Clause	\$ 149,083	\$ 149,083
DSM	\$ 1,026,376	\$ 1,026,376
Environmental Surcharge		\$ 1,775,548
CSR Credits		\$ (442,310)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 83,401,492	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 156	\$ 156
Virginia Retail	\$ 3,917,665	\$ 3,917,665
Wholesale	\$ 7,655,939	\$ 7,655,939
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,239,574	\$ 1,239,574
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 12,813,334	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 96,214,826	
Reconciling Revenues		
Brokered	\$ 6,349	\$ 6,349
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 13,068,000
Provision for Refund		\$ 987,769
Miscellaneous		\$ 4,142,803
Total Company Revenues per Income Statement =		\$ 115,752,985



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

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

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JUL 19 2010

**PUBLIC SERVICE
COMMISSION**

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), Kentucky Utilities Company ("KU") 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. 2009-00501, KU has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after July 29, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00


**KENTUCKY UTILITIES 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 = \$ 4,104,003

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 4.44%

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

Submitted by: 

Title: Director, Rates

Date Submitted: July 19, 2010

KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1)	RB	= \$ 1,361,085,613
(2)	RB / 12	= \$ 113,423,801
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	= 11.12%
(4)	OE	= \$ 4,940,046
(5)	BAS	= \$ (7,711)
(6)	BR	= \$ -
(7)	E(m) (2) x (3) + (4) - (5) + (6)	= \$ 17,560,484

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	= 86.14%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$ 15,126,601
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 09-310 & 09-501	= 617,651
(11)	Prior Period Adjustment (if necessary)	=
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= 15,744,252
(13)	Revenue Collected through Base Rates	= \$ 11,640,249
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$ 4,104,003
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 92,476,215
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	= 4.44%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,241,511,786	
Eligible Pollution CWIP Excluding AFUDC	306,798,153	
Subtotal		\$ 1,548,309,939
Additions:		
Inventory - Limestone	\$ 625,615	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	692,218	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	622,803	
Cash Working Capital Allowance	2,019,910	
Subtotal		3,191,854
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	91,879,000	
Pollution Control Deferred Income Taxes	69,858,817	
Pollution Control Deferred Investment Tax Credit	28,678,363	
Subtotal		190,416,180
Environmental Compliance Rate Base		\$ 1,361,085,613

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,598,206
Monthly Depreciation & Amortization Expense	3,123,462
Monthly Taxes Other Than Income Taxes	174,939
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	48,301
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	43,439
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,940,046

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	42,886	50,597	(7,711)
Total Proceeds from Sales	\$ 42,886	\$ 50,597	\$ (7,711)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: June 30, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	57,479.36	49,301.00		47,171.00	59,609.36	
Dollars	\$ 470,137.44	\$ 399,082.28	\$ -	\$ 386,100.78	\$ 483,118.94	
\$/Ton	\$ 8.18	\$ 8.09		\$8.19	\$8.10	
At E.W. Brown:						
Tons	6,939.00	11,420.74	(2,883.00)	2,808.00	12,668.74	Adjustment for limestone converted to slurry
Dollars	\$ 78,023.93	\$ 128,483.36	\$ (32,417.20)	\$ 31,594.21	\$ 142,495.88	for testing purposes
\$/Ton	\$ 11.24	\$ 11.25	\$ 11.24	\$11.25	\$ 11.25	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 549,141.48

KENTUCKY UTILITIES 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	Unamortized ITC as of 6/30/2010	Deferred Tax Balance as of 6/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,713,549	\$ -	\$ 8,061,992	\$ -	\$ 1,205,065	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 35,704,951	\$ 1,142,172	\$ 182,401,499	\$ -	\$ 31,853,271	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 37,418,500	\$ 1,142,172	\$ 190,463,490	\$ -	\$ 33,058,336	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 36,456,644	\$ 1,142,172	\$ 188,704,800	\$ -	\$ 32,834,168	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,425,878	\$ -	\$ 13,722,417	\$ -	\$ 2,474,561	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,425,878	\$ -	\$ 13,722,417	\$ -	\$ 2,474,561	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,425,878	\$ -	\$ 13,722,417	\$ -	\$ 2,474,561	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 56,553	\$ -	\$ 778,493	\$ -	\$ 63,743	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,198,490	\$ 32,859,687	\$ 51,358,359	\$ -	\$ 1,811,241	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 53,867,612	\$ 61,499,611	\$ 978,467,850	\$ -	\$ 32,937,102	\$ 2,438,766	\$ 117,718
Subtotal	\$ 991,368,060	\$ 55,122,655	\$ 94,359,298	\$ 1,030,604,702	\$ -	\$ 34,812,086	\$ 2,486,667	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 986,660,675	\$ 52,897,064	\$ 94,359,298	\$ 1,028,122,909	\$ -	\$ 33,971,238	\$ 2,477,936	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 6/30/2010	Deferred Tax Balance as of 6/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 191,189,088	\$ 191,189,088	\$ 28,678,363	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 362,799	\$ -	\$ 12,388,473	\$ -	\$ 521,895	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 82,368	\$ -	\$ 949,585	\$ -	\$ 43,751	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 54,193	\$ -	\$ 1,294,972	\$ -	\$ 27,201	\$ 3,382	\$ 164
Subtotal	\$ 15,132,390	\$ 499,360	\$ 191,189,088	\$ 205,822,118	\$ 28,678,363	\$ 592,846	\$ 36,404	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 99,415	\$ 191,189,088	\$ 205,773,217	\$ 28,678,363	\$ 578,850	\$ 35,270	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 8,211,285	\$ 8,211,285	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 313,291	\$ 313,291	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 9,375,493	\$ 9,375,493	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,364,885	\$ 1,364,885	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 842,640	\$ 842,640	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 20,107,596	\$ 20,107,596	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 20,107,596	\$ 20,107,596	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,241,511,786	\$ 91,879,000	\$ 306,798,153	\$ 1,456,430,939	\$ 28,678,363	\$ 69,858,817	\$ 3,123,462	\$ 174,939

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: June 30, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	77,920	10,622	8,604	\$ 666,002.65	\$ -	\$ 27,046.54	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	82,990	0	5,070	0	0	77,920	
Dollars	\$ 709,337.28	\$ -	\$ 43,334.63	\$ -	\$ -	\$ 666,002.65	
\$/Allowance	\$ 8.55	\$ -	\$ 8.55	\$ -	\$ -	\$ 8.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	82,952	-	5,070	-	-	77,882	
Dollars	\$ 709,012.48	\$ -	\$ 43,334.63	\$ -	\$ -	\$ 665,677.85	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	38	
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 324.80	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of June 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,192	0	1,580	8	0	8,604	
Dollars	\$ 32,038.40	\$ -	\$ 4,966.71	\$ 25.15	\$ -	\$ 27,046.54	
\$/Allowance	\$ 3.14	\$ -	\$ 3.14	\$ 3.14	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,023	-	1,580	-	-	8,443	
Dollars	\$ 31,507.15	\$ -	\$ 4,966.71	\$ -	\$ -	\$ 26,540.44	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	169	-	-	8	-	161	
Dollars	\$ 531.25	\$ -	\$ -	\$ 25.15	\$ -	\$ 506.10	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES 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 Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,210	0	1,580	8	0	10,622	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,008	-	1,580	-	-	10,428	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	202	0	0	8	0	194	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,045,141
10th Previous Month	1,340,451
9th Previous Month	1,286,063
8th Previous Month	1,311,386
7th Previous Month	1,277,270
6th Previous Month	1,418,483
5th Previous Month	1,495,108
4th Previous Month	1,447,263
3rd Previous Month	1,363,192
2nd Previous Month	1,157,625
Previous Month	1,419,088
Current Month	1,598,206
Total 12 Month O&M	\$ 16,159,276

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 16,159,276
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,019,910

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: June 30, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		269,562.44				269,562.44
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		16,068.93				16,068.93
Total 2001 Plan O&M Expenses		285,631.37				285,631.37
2005 Plan						
502006 - Scrubber Operations	64,011	300,664.80				364,676.21
512005 - Scrubber Maintenance	23,875	137,787.90				161,662.95
Total 2005 Plan O&M Expenses	87,886	438,452.70				526,339.16
2006 Plan						
506109 - Sorbent Injection Operation		759,014.78			-	759,014.78
512102 - Sorbent Injection Maintenance		27,220.77			-	27,220.77
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	786,235.55	-	-	-	786,235.55
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	87,886	1,510,319.62	-	-	-	1,598,206.08

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2010

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: June 30, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Jul-09	\$ 82,059,052	\$ (1,701,153)	\$ 905,261	\$ 9,580,287	\$ 90,843,447	\$ 81,263,160	\$ 14,094,535	\$ 104,937,982	\$ 95,357,695
Aug-09	85,508,922	5,150,078	859,304	8,912,825	100,431,129	91,518,304	13,601,717	114,032,846	105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,798	85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,903	113,238,334
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 92,476,215			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.14%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ 1,950.45	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 97,262,931	\$ 97,262,931
Fuel Adjustment Clause	\$ (1,166,523)	\$ (1,166,523)
DSM	\$ 1,450,927	\$ 1,450,927
Environmental Surcharge		\$ 8,898,569
CSR Credits		\$ (447,436)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 97,547,335	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 214	\$ 214
Virginia Retail	\$ 5,229,164	\$ 5,229,164
Wholesale	\$ 10,086,068	\$ 10,086,068
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 375,553	\$ 375,553
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,690,999	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 113,238,334	
Reconciling Revenues		
Brokered	\$ 1,950	\$ 1,950
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 8,971,000
Provision for Refund		\$ (632,390)
Miscellaneous		\$ 843,986
Total Company Revenues per Income Statement =		\$ 130,874,013



an **e-on** company

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

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AUG 20 2010

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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), Kentucky Utilities Company ("KU") 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. 2009-00501, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES 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 = \$ 3,441,247

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.62%

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

Submitted by:



Title: Director, Rates

Date Submitted: August 20, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,360,915,177
(2) RB / 12	= \$	113,409,598
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.12%
(4) OE	= \$	5,574,316
(5) BAS	= \$	(7,559)
(6) BR	= \$	-
(7) E(m)	= \$	18,193,022
	$(2) \times (3) + (4) - (5) + (6)$	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.06%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,656,915
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 09-310 & 09-501	=	617,651
(11) Prior Period Adjustment (if necessary)	=	
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	16,274,566
(13) Revenue Collected through Base Rates	= \$	12,833,319
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,441,247
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	94,995,288
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	3.62%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,241,511,786	
Eligible Pollution CWIP Excluding AFUDC	313,042,837	
Subtotal		\$ 1,554,554,623
Additions:		
Inventory - Limestone	\$ 781,316	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	641,094	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	571,679	
Cash Working Capital Allowance	2,098,945	
Subtotal		3,375,467
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	95,571,467	
Pollution Control Deferred Income Taxes	72,752,280	
Pollution Control Deferred Investment Tax Credit	28,691,166	
Subtotal		197,014,913
Environmental Compliance Rate Base		\$ 1,360,915,177

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,677,427
Monthly Depreciation & Amortization Expense	3,675,862
Monthly Taxes Other Than Income Taxes	174,939
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	50,950
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	46,088
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,574,316

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	43,038	50,597	(7,559)
Total Proceeds from Sales	\$ 43,038	\$ 50,597	\$ (7,559)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: July 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	59,609.36	68,681.00		47,441.00	80,849.36	
Dollars	\$ 483,118.94	\$ 558,372.82	\$ -	\$ 385,687.38	\$ 655,804.38	
\$/Ton	\$ 8.10	\$ 8.13		\$8.13	\$8.11	
At E.W. Brown:						
Tons	12,668.74	3,677.95		5,204.00	11,142.69	
Dollars	\$ 142,495.88	\$ 41,634.40	\$ -	\$ 58,618.22	\$ 125,512.06	
\$/Ton	\$ 11.25	\$ 11.32		\$11.26	\$ 11.26	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 704,843.10

KENTUCKY UTILITIES 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	Unamortized ITC as of 7/31/2010	Deferred Tax Balance as of 7/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ 9,775,541	\$ 1,734,275	\$ -	\$ 8,041,266	\$ -	\$ 1,211,141	\$ 20,725	\$ 1,023
Project 17 - KU Nox SCR's	\$ 216,964,277	\$ 36,263,676	\$ 1,142,172	\$ 181,842,773	\$ -	\$ 31,895,774	\$ 558,726	\$ 23,219
Subtotal	\$ 226,739,818	\$ 37,997,951	\$ 1,142,172	\$ 189,884,040	\$ -	\$ 33,106,916	\$ 579,451	\$ 24,243
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ (2,720,546)	\$ (961,856)	\$ -	\$ (1,758,690)	\$ -	\$ (224,168)	\$ (6,740)	\$ (220)
Net Total - 2001 Plan:	\$ 224,019,272	\$ 37,036,095	\$ 1,142,172	\$ 188,125,350	\$ -	\$ 32,882,748	\$ 572,711	\$ 24,023
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ 16,148,295	\$ 2,463,422	\$ -	\$ 13,684,873	\$ -	\$ 2,478,637	\$ 37,545	\$ 1,743
Subtotal	\$ 16,148,295	\$ 2,463,422	\$ -	\$ 13,684,873	\$ -	\$ 2,478,637	\$ 37,545	\$ 1,743
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ 16,148,295	\$ 2,463,422	\$ -	\$ 13,684,873	\$ -	\$ 2,478,637	\$ 37,545	\$ 1,743
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 58,494	\$ -	\$ 776,552	\$ -	\$ 65,412	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,244,450	\$ 33,609,461	\$ 52,062,173	\$ -	\$ 1,887,041	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 56,858,784	\$ 64,923,755	\$ 978,900,824	\$ -	\$ 35,657,557	\$ 2,991,171	\$ 117,718
Subtotal	\$ 991,368,060	\$ 58,161,728	\$ 98,533,216	\$ 1,031,739,548	\$ -	\$ 37,610,010	\$ 3,039,073	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 986,660,675	\$ 55,936,136	\$ 98,533,216	\$ 1,029,257,755	\$ -	\$ 36,769,163	\$ 3,030,342	\$ 123,320

**KENTUCKY UTILITIES 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	Unamortized ITC as of 7/31/2010	Deferred Tax Balance as of 7/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 191,274,440	\$ 191,274,440	\$ 28,691,166	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 392,397	\$ -	\$ 12,358,875	\$ -	\$ 560,971	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 85,792	\$ -	\$ 946,161	\$ -	\$ 45,605	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 57,569	\$ 2,983	\$ 1,294,579	\$ -	\$ 29,153	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 535,758	\$ 191,277,423	\$ 205,874,056	\$ 28,691,166	\$ 635,730	\$ 36,398	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 135,813	\$ 191,277,423	\$ 205,825,155	\$ 28,691,166	\$ 621,733	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 9,680,475	\$ 9,680,475	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 387,331	\$ 387,331	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,565,654	\$ 9,565,654	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 1,611,154	\$ 1,611,154	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 845,411	\$ 845,411	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 22,090,025	\$ 22,090,025	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 22,090,025	\$ 22,090,025	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,241,511,786	\$ 95,571,467	\$ 313,042,837	\$ 1,458,983,156	\$ 28,691,166	\$ 72,752,280	\$ 3,675,862	\$ 174,939

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: July 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	78,264	8,971	6,867	\$ 620,352.42	\$ -	\$ 21,586.31	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	77,920	5,700	5,356	0	0	78,264	
Dollars	\$ 666,002.65	\$ 128.92	\$ 45,779.15	\$ -	\$ -	\$ 620,352.42	
\$/Allowance	\$ 8.55	\$ 0.02	\$ 8.55	\$ -	\$ -	\$ 7.93	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	77,882	-	5,356	-	-	76,801	Total includes allowances purchased from LG&E. See below.
Dollars	\$ 665,677.85	\$ -	\$ 45,779.15	\$ -	\$ -	\$ 619,995.39	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	-	-	-	-	1,463	Total includes allowances purchased from LG&E. See below.
Dollars	\$ 324.80	\$ -	\$ -	\$ -	\$ -	\$ 357.03	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	5,700				5,700	Purchase from LG&E - 4,275 coal fuel allowances at \$96.69 and
Dollars	\$ -	\$ 128.92				\$ 128.92	1,425 other fuel allowances at \$32.23. Included in ending
\$/Allowance	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02	inventory balances above.

fix formulas next month

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,604	(86)	1,645	6	0	6,867	
Dollars	\$ 27,046.54	\$ (270.34)	\$ 5,171.03	\$ 18.86	\$ -	\$ 21,586.31	
\$/Allowance	\$ 3.14	\$ 3.14	\$ 3.14	\$ 3.14	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,443	(86)	1,645	-	-	6,712	True-up with EPA
Dollars	\$ 26,540.44	\$ (270.34)	\$ 5,171.03	\$ -	\$ -	\$ 21,099.07	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	161		-	6	-	155	
Dollars	\$ 506.10	\$ -	\$ -	\$ 18.86	\$ -	\$ 487.24	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,622	0	1,645	6	0	8,971	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,428	-	1,645	-	-	8,783	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	194	0	0	6	0	188	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,340,451
10th Previous Month	1,286,063
9th Previous Month	1,311,386
8th Previous Month	1,277,270
7th Previous Month	1,418,483
6th Previous Month	1,495,108
5th Previous Month	1,447,263
4th Previous Month	1,363,192
3rd Previous Month	1,157,625
2nd Previous Month	1,419,088
Previous Month	1,598,206
Current Month	1,677,427
Total 12 Month O&M	\$ 16,791,562

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 16,791,562
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,098,945

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: July 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		262,790.40				262,790.40
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		12,556.94				12,556.94
Total 2001 Plan O&M Expenses		275,347.34				275,347.34
2005 Plan						
502006 - Scrubber Operations	58,618	300,683.07				359,301.29
512005 - Scrubber Maintenance	28,820	142,998.24				171,817.74
Total 2005 Plan O&M Expenses	87,438	443,681.31				531,119.03
2006 Plan						
506109 - Sorbent Injection Operation		854,254.51			-	854,254.51
512102 - Sorbent Injection Maintenance		6,637.77			-	6,637.77
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	10,068	-	-	-	-	10,068.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	10,068	860,892.28	-	-	-	870,960.28
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	97,506	1,579,920.93	-	-	-	1,677,426.65

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: July 31, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: July 31, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Aug-09	\$ 85,508,922	\$ 5,150,078	\$ 859,304	\$ 8,912,825	\$ 100,431,129	\$ 91,518,304	\$ 13,601,717	\$ 114,032,846	\$ 105,120,021
Sep-09	88,427,592	1,900,063	836,711	10,484,635	101,649,001	91,164,366	12,602,250	114,251,251	103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,798	85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,036	18,062,588	136,884,415	129,554,624
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 94,995,288			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.06%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ 63.97	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,950,966	\$ 106,950,966
Fuel Adjustment Clause	\$ 2,788,124	\$ 2,788,124
DSM	\$ 1,752,947	\$ 1,752,947
Environmental Surcharge		\$ 7,329,791
CSR Credits		\$ (439,656)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 111,492,037	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 213	\$ 213
Virginia Retail	\$ 4,901,487	\$ 4,901,487
Wholesale	\$ 12,566,940	\$ 12,566,940
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 593,948	\$ 593,948
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,062,588	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 129,554,625	
Reconciling Revenues		
Brokered	\$ 64	\$ 64
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 6,825,000
Provision for Refund		\$ -
Miscellaneous		\$ (599,402)
Total Company Revenues per Income Statement =		\$ 142,670,422

Pa RECEIVED
Conroy

SEP 17 2010

PUBLIC SERVICE
COMMISSION



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

Kentucky Utilities 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

September 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

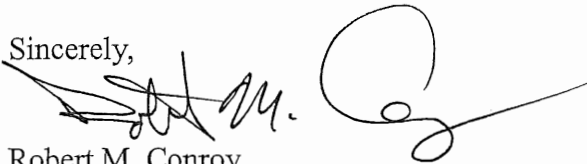
Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of August 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00501, KU has included the 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. 2009-00548, all costs associated with the 2001 and 2003 ECR Plans are removed from the ECR monthly filing. KU 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.

Included in this filing is an adjustment to reflect the cumulative effect of the error reported to the Commission with the April 2010 expense month filing. Attached to the filing is Attachment 1 that includes a detailed description of adjustment and supporting calculations.

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

Sincerely,


Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES 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	=	\$	552,858
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		0.57%

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

Submitted by:



Title: Director, Rates

Date Submitted: September 17, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1) RB	= \$	1,194,564,467	
(2) RB / 12	= \$	99,547,039	
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	11.12%	
(4) OE	= \$	4,929,810	
(5) BAS	= \$	(27,636)	
(6) BR	= \$	-	
(7) E(m)	= \$	16,027,077	(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.69%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,054,144
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 09-501	=	617,651
(11)	Prior Period Adjustment (if necessary)	=	202,938
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,874,733
(13)	Revenue Collected through Base Rates	= \$	14,321,875
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	552,858
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	97,785,530
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	0.57%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,001,344,219	
Eligible Pollution CWIP Excluding AFUDC	317,761,525	
Subtotal		\$ 1,319,105,744
Additions:		
Inventory - Limestone	\$ 945,454	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	593,540	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	524,125	
Cash Working Capital Allowance	1,798,763	
Subtotal		3,191,869
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	59,147,420	
Pollution Control Deferred Income Taxes	40,231,703	
Pollution Control Deferred Investment Tax Credit	28,354,023	
Subtotal		127,733,146
Environmental Compliance Rate Base		\$ 1,194,564,467

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,671,859
Monthly Depreciation & Amortization Expense	3,065,606
Monthly Taxes Other Than Income Taxes	149,173
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	48,034
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	43,172
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,929,810

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	22,962	50,597	(27,636)
Total Proceeds from Sales	\$ 22,962	\$ 50,597	\$ (27,636)

KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT

Limestone Inventory

For the Month Ended: August 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	80,849.36	57,238.00		40,923.00	97,164.36	
Dollars	\$ 655,804.38	\$ 466,722.18	\$ -	\$ 333,721.28	\$ 788,805.28	
\$/Ton	\$ 8.11	\$ 8.15		\$8.15	\$8.12	
At E.W. Brown:						
Tons	11,142.69	6,644.30		5,083.00	12,703.99	
Dollars	\$ 125,512.06	\$ 93,813.48	\$ -	\$ 62,676.80	\$ 156,648.74	
\$/Ton	\$ 11.26	\$ 14.12		\$12.33	\$ 12.33	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 868,980.68

KENTUCKY UTILITIES 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	Unamortized ITC as of 8/31/2010	Deferred Tax Balance as of 8/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 60,436	\$ -	\$ 774,610	\$ -	\$ 67,081	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,290,410	\$ 34,241,464	\$ 52,648,216	\$ -	\$ 1,962,840	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 59,849,955	\$ 68,727,688	\$ 979,713,585	\$ -	\$ 38,378,013	\$ 2,991,171	\$ 117,718
Subtotal	\$ 991,368,060	\$ 61,200,801	\$ 102,969,152	\$ 1,033,136,411	\$ -	\$ 40,407,934	\$ 3,039,073	\$ 123,320
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 986,660,675	\$ 58,975,209	\$ 102,969,152	\$ 1,030,654,618	\$ -	\$ 39,567,087	\$ 3,030,342	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 8/31/2010	Deferred Tax Balance as of 8/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 189,026,821	\$ 189,026,821	\$ 28,354,023	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 421,995	\$ 203,561	\$ 12,532,838	\$ -	\$ 600,048	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 89,216	\$ -	\$ 942,737	\$ -	\$ 47,460	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 60,945	\$ -	\$ 1,288,220	\$ -	\$ 31,105	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 572,156	\$ 189,230,382	\$ 203,790,616	\$ 28,354,023	\$ 678,613	\$ 36,398	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 172,211	\$ 189,230,382	\$ 203,741,715	\$ 28,354,023	\$ 664,616	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 11,614,416	\$ 11,614,416	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 554,231	\$ 554,231	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 9,907,481	\$ 9,907,481	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 2,623,665	\$ 2,623,665	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 862,197	\$ 862,197	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 25,561,991	\$ 25,561,991	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 25,561,991	\$ 25,561,991	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,001,344,219	\$ 59,147,420	\$ 317,761,525	\$ 1,259,958,324	\$ 28,354,023	\$ 40,231,703	\$ 3,065,606	\$ 149,173

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: August 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	80,527	7,259	5,155	\$ 577,791.35	\$ -	\$ 16,204.67	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of August 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	78,264	7,648	5,385	0	0	80,527	
Dollars	\$ 620,352.42	\$ 122.62	\$ 42,683.69	\$ -	\$ -	\$ 577,791.35	
\$/Allowance	\$ 7.93	\$ 0.02	\$ 7.93	\$ -	\$ -	\$ 7.18	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	78,226	2,265	5,385	-	-	80,527	Ending inventory includes allowances purchased from LG&E. See below.
Dollars	\$ 620,027.62	\$ 324.80	\$ 42,683.69	\$ -	\$ -	\$ 577,791.35	Allocation from EPA Conservation & Renewables Pool (2,227). Beginning inventory adjusted to reflect July sale to KU of 100% coal allowances and no other fuel allowances.
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	38	(38)	-	-	-	0	Allowances transferred to Coal Fuel.
Dollars	\$ 324.80	\$ (324.80)	\$ -	\$ -	\$ -	\$ -	Beginning inventory adjusted to reflect July sale to KU of 100% coal allowances and no other fuel allowances.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	5,421					Purchase from LG&E; included in ending Coal inventory balance above.
Dollars	\$ -	\$ 122.62					
\$/Allowance	\$ -	\$ 0.02	\$ -	\$ -	\$ -		

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of August 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,867	0	1,702	10	0	5,155	
Dollars	\$ 21,586.31	\$ -	\$ 5,350.21	\$ 31.43	\$ -	\$ 16,204.67	
\$/Allowance	\$ 3.14	\$ -	\$ 3.14	\$ 3.14	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,712	-	1,702	-	-	5,010	
Dollars	\$ 21,099.07	\$ -	\$ 5,350.21	\$ -	\$ -	\$ 15,748.86	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	-	-	10	-	145	
Dollars	\$ 487.24	\$ -	\$ -	\$ 31.43	\$ -	\$ 455.81	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2010

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,971	0	1,702	10	0	7,259	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,783	-	1,702	-	-	7,081	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	188	0	0	10	0	178	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,075,525
10th Previous Month	1,126,771
9th Previous Month	1,169,895
8th Previous Month	1,080,424
7th Previous Month	1,245,270
6th Previous Month	1,173,542
5th Previous Month	1,030,809
4th Previous Month	912,574
3rd Previous Month	1,188,779
2nd Previous Month	1,312,575
Previous Month	1,402,080
Current Month	1,671,859
Total 12 Month O&M	\$ 14,390,101

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,390,101
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,798,763

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses

For the Month Ended: August 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		0.00				0.00
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		0.00				0.00
Total 2001 Plan O&M Expenses		0.00				0.00
2005 Plan						
502006 - Scrubber Operations	62,676.80	258,402.11				321,078.91
512005 - Scrubber Maintenance	38,622.01	210,611.66				249,233.67
Total 2005 Plan O&M Expenses	101,298.81	469,013.77				570,312.58
2006 Plan						
506109 - Sorbent Injection Operation		1,082,896.81			-	1,082,896.81
512102 - Sorbent Injection Maintenance		18,649.17			-	18,649.17
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables						0.00
506105 - NOx Operation -- Labor and Other						0.00
512101 - NOx Maintenance						0.00
502006 - Scrubber Operations						0.00
512005 - Scrubber Maintenance						0.00
506001 - Precipitator Operation						0.00
506111 - Activated Carbon						0.00
512011 - Precipitator Maintenance						0.00
Total 2006 Plan O&M Expenses	-	1,101,545.98	-	-	-	1,101,545.98
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	101,298.81	1,570,559.75	-	-	-	1,671,858.56

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2010

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: August 31, 2010

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Monthly Average Revenue Computation of R (m)

For the Month Ended: August 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)+(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)
Sep-09	\$ 88,427,592	\$ 1,900,063	\$ 836,711	\$ 10,484,635	\$ 101,649,001	\$ 91,164,366	\$ 12,602,250	\$ 114,251,251	\$ 103,766,616
Oct-09	83,446,599	2,469,239	680,516	10,195,905	96,792,259	86,596,354	12,439,021	109,231,280	99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,798	85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,990	142,553,032
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 97,785,530			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									87.69%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	18.44	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 114,196,065	\$ 114,196,065
Fuel Adjustment Clause	\$ 9,264,416	\$ 9,264,416
DSM	\$ 1,540,726	\$ 1,540,726
Environmental Surcharge		\$ 5,630,958
CSR Credits		\$ (442,686)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 125,001,207	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 337	\$ 337
Virginia Retail	\$ 5,160,598	\$ 5,160,598
Wholesale	\$ 11,863,852	\$ 11,863,852
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 527,038	\$ 527,038
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,551,825	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 142,553,033	
Reconciling Revenues		
Brokered	\$ 18	\$ 18
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 8,939,000
Provision for Refund		\$ -
Miscellaneous		\$ (5,241,982)
Total Company Revenues per Income Statement =		\$ 151,438,341

Attachment 1

Kentucky Utilities Company

Revisions to Net Jurisdictional E(m) for Expense Month August 2010

Cumulative Impact of Adjustment for Ghent SO₂ Common Description

In its April 2010 expense month filing, KU restated its Plant in Service balance to correct a reporting error that was discovered in May 2010. In July 2008, the Ghent 4 FGD and \$7.2 million of associated "common" assets that serve multiple FGDs were placed in service. Due to a change in systems used to track the Company's assets and an internal realignment of personnel responsibilities, the \$7.2 million of common assets was not moved from Construction Work in Progress ("CWIP") to Plant in Service *for ECR reporting and cost recovery purposes only*. The effect of this reporting difference was an overstatement of the earned return on rate base, and an understatement of depreciation expense and property tax expense that should have been included in the monthly ECR reports.

The cumulative impact of the reporting error extends over the expense months of August 2008 through March 2010. The expense months of August 2008 through February 2009 were part of the most recent ECR two-year review case (Case No. 2009-00310). Because that review proceeding is closed, KU is forgoing ECR recovery of \$256,679 for the expense months of August 2008 through February 2009. For the expense months of March 2009 through March 2010, KU has included \$202,938 on ES Form 1.10 as a prior period adjustment in the August 2010 expense month filing. Please see Attachment 1 for the detailed calculations of the adjustment.

KU ECR Project 21 - Cumulative Impact of Adjustment for Ghent SO2 Common

Expense Month	Change to Return on Rate Base (See Page 2)	Change to O&M (See Page 3)	Change to Total E(m)	Retail Juris Allocation	Change to Juris E(m)
Aug-08	\$ 73,859	\$ 8,416	\$ 82,275	85.16%	\$ 70,065
Sep-08	124,166	26,268	150,435	82.47%	124,064
Oct-08	(1,199)	15,798	14,599	77.38%	11,297
Nov-08	(1,563)	15,798	14,235	75.52%	10,750
Dec-08	(1,928)	15,798	13,870	79.97%	11,092
Jan-09	(2,288)	15,790	13,502	83.81%	11,316
Feb-09	(3,580)	24,518	20,937	86.43%	18,096
Mar-09	(3,983)	24,501	20,518	85.16%	17,473
Apr-09	(4,386)	24,501	20,115	87.67%	17,635
May-09	(4,789)	24,501	19,712	84.60%	16,676
Jun-09	(5,191)	24,501	19,309	87.48%	16,892
Jul-09	(5,594)	24,501	18,906	85.22%	16,112
Aug-09	(5,997)	24,501	18,503	87.06%	16,109
Sep-09	(6,400)	24,501	18,101	87.86%	15,903
Oct-09	(6,711)	24,503	17,792	87.44%	15,557
Nov-09	(7,118)	24,503	17,384	85.53%	14,869
Dec-09	(7,444)	24,503	17,058	83.85%	14,303
Jan-10	(7,842)	24,464	16,622	84.36%	14,022
Feb-10	(8,241)	24,464	16,224	81.71%	13,257
Mar-10	(8,639)	24,464	15,826	89.28%	14,129
Grand Total - Cumulative Impact of Adjustment to Project 21					\$ 459,617
Impact of Adjustment to months in previous ECR 2-Year Review period (Case No. 2009-00310) KU is not seeking ECR recovery of this amount (Expense months Aug08 - Feb09)					\$ 256,679
Adjustment to Project 21 included in Aug10 ECR filing (Expense months Mar09 - Mar10)					<u>\$ 202,938</u>

KU ECR Project 21 - Adjustment to Rate Base

AS FILED - KU PROJECT 21 - ES FORM 2.10							
Expense Month	TOTAL Plant in Service	Accumulated Depreciation	CWIP Amount excluding AFUDC	Deferred Tax Balance	Total E(m)	Rate of Return	Juris Return on Rate Base
Aug-08	\$ 425,024,402	\$ (12,268,932)	\$ 303,299,313	\$ (5,617,175)	\$ 710,437,608	11.13%	\$ 6,589,309
Sep-08	425,024,402	(14,248,070)	324,587,945	(6,404,269)	728,960,008	11.13%	6,761,104
Oct-08	425,024,403	(16,227,208)	344,373,531	(6,026,312)	747,144,413	11.13%	6,929,764
Nov-08	425,024,403	(18,206,347)	368,282,474	(6,745,558)	768,354,973	11.13%	7,126,492
Dec-08	425,024,403	(20,185,485)	389,554,723	(7,464,803)	786,928,838	11.13%	7,298,765
Jan-09	425,024,403	(22,164,623)	404,919,510	(8,186,803)	799,592,487	11.13%	7,416,220
Feb-09	425,024,403	(23,342,217)	423,077,580	(9,220,145)	815,539,621	11.12%	7,557,334
Mar-09	560,694,414	(24,889,094)	309,206,361	(10,582,247)	834,429,435	11.12%	7,732,379
Apr-09	560,694,414	(26,649,753)	325,163,661	(11,861,187)	847,347,135	11.12%	7,852,083
May-09	592,380,842	(28,460,999)	308,543,376	(13,231,604)	859,231,615	11.12%	7,962,213
Jun-09	592,380,842	(30,322,834)	326,348,733	(14,582,342)	873,824,400	11.12%	8,097,439
Jul-09	592,380,842	(32,184,668)	337,332,840	(15,933,080)	881,595,935	11.12%	8,169,456
Aug-09	592,380,842	(34,046,503)	348,282,608	(17,283,817)	889,333,130	11.12%	8,241,154
Sep-09	592,380,842	(35,908,337)	360,721,561	(18,634,555)	898,559,511	11.12%	8,326,651
Oct-09	592,380,842	(37,786,281)	374,298,497	(19,979,140)	908,913,919	11.12%	8,422,602
Nov-09	592,380,842	(39,648,115)	385,064,317	(21,329,380)	916,467,663	11.12%	8,492,600
Dec-09	592,380,842	(41,509,950)	391,359,463	(22,679,621)	919,550,735	11.00%	8,429,215
Jan-10	592,380,842	(43,371,784)	398,765,873	(24,060,147)	923,714,785	11.00%	8,467,386
Feb-10	592,380,842	(45,233,619)	407,107,233	(25,440,672)	928,813,784	11.00%	8,514,126
Mar-10	592,380,842	(47,095,453)	415,232,193	(26,821,198)	933,696,384	11.00%	8,558,884

AS REVISED - PROJECT 21								
Expense Month	TOTAL Plant in Service	Accumulated Depreciation	CWIP Amount excluding AFUDC	Deferred Tax Balance	Total E(m)	Rate of Return	Juris Return on Rate Base	Change to Return on Rate Base
Aug-08	\$ 437,404,375	\$ (12,257,400)	\$ 297,897,470	\$ (4,643,628)	\$ 718,400,817	11.13%	\$ 6,663,168	\$ 73,859
Sep-08	432,827,730	(14,262,807)	329,164,590	(5,382,300)	742,347,213	11.13%	6,885,270	124,166
Oct-08	432,827,730	(16,257,743)	336,570,204	(6,125,045)	747,015,146	11.13%	6,928,565	(1,199)
Nov-08	432,827,730	(18,252,679)	360,479,148	(6,867,789)	768,186,409	11.13%	7,124,929	(1,563)
Dec-08	432,827,730	(20,247,615)	381,751,396	(7,610,534)	786,720,977	11.13%	7,296,837	(1,928)
Jan-09	432,827,730	(22,242,551)	397,116,183	(8,355,571)	799,345,790	11.13%	7,413,932	(2,288)
Feb-09	432,827,730	(23,600,171)	415,274,253	(9,348,525)	815,153,287	11.12%	7,553,754	(3,580)
Mar-09	568,497,740	(25,171,573)	301,403,035	(10,729,575)	833,999,627	11.12%	7,728,397	(3,983)
Apr-09	568,497,740	(26,956,757)	317,360,335	(12,027,465)	846,873,853	11.12%	7,847,698	(4,386)
May-09	600,184,169	(28,792,529)	300,740,049	(13,416,831)	858,714,858	11.12%	7,957,424	(4,789)
Jun-09	600,184,169	(30,678,889)	318,545,406	(14,786,517)	873,264,169	11.12%	8,092,248	(5,191)
Jul-09	600,184,169	(32,565,249)	329,529,514	(16,156,204)	880,992,230	11.12%	8,163,861	(5,594)
Aug-09	600,184,169	(34,451,609)	340,479,281	(17,525,891)	888,685,951	11.12%	8,235,156	(5,997)
Sep-09	600,184,169	(36,337,968)	352,918,235	(18,895,578)	897,868,857	11.12%	8,320,251	(6,400)
Oct-09	600,184,169	(38,224,328)	366,495,170	(20,265,265)	908,189,746	11.12%	8,415,892	(6,711)
Nov-09	600,184,169	(40,110,688)	377,260,990	(21,634,952)	915,699,519	11.12%	8,485,482	(7,118)
Dec-09	600,184,169	(41,997,048)	383,556,136	(23,004,639)	918,738,619	11.00%	8,421,771	(7,444)
Jan-10	600,184,169	(43,883,408)	390,962,547	(24,404,063)	922,859,245	11.00%	8,459,543	(7,842)
Feb-10	600,184,169	(45,769,767)	399,303,906	(25,803,487)	927,914,820	11.00%	8,505,886	(8,241)
Mar-10	600,184,169	(47,656,127)	407,428,866	(27,202,912)	932,753,996	11.00%	8,550,245	(8,639)

KU ECR Project 21 - Adjustment to O&M

Expense Month	AS FILED - KU PROJECT 21 - ES FORM 2.10			AS REVISED - PROJECT 21			CHANGE TO O&M		
	Monthly Depreciation	Monthly Property Tax	Total	Monthly Depreciation	Monthly Property Tax	Total	Monthly Depreciation	Monthly Property Tax	Total Change to O&M
	Expense	Expense		Expense	Expense		Expense	Expense	
Aug-08	\$ 1,979,138	\$ 67,714	\$ 2,046,852	\$ 1,987,554	\$ 67,714	\$ 2,055,268	\$ 8,416	\$ -	\$ 8,416
Sep-08	1,979,138	67,714	2,046,852	2,005,407	67,714	2,073,121	26,268	-	26,268
Oct-08	1,979,138	67,714	2,046,852	1,994,936	67,714	2,062,650	15,798	-	15,798
Nov-08	1,979,138	67,714	2,046,852	1,994,936	67,714	2,062,650	15,798	-	15,798
Dec-08	1,979,138	67,714	2,046,852	1,994,936	67,714	2,062,650	15,798	-	15,798
Jan-09	1,979,138	99,299	2,078,437	1,994,936	99,291	2,094,228	15,798	(8)	15,790
Feb-09	1,333,095	99,299	1,432,394	1,357,620	99,291	1,456,911	24,525	(8)	24,518
Mar-09	1,546,877	99,316	1,646,193	1,571,402	99,291	1,670,693	24,525	(25)	24,501
Apr-09	1,760,659	99,316	1,859,975	1,785,184	99,291	1,884,475	24,525	(25)	24,501
May-09	1,811,247	99,316	1,910,563	1,835,772	99,291	1,935,063	24,525	(25)	24,501
Jun-09	1,861,835	99,316	1,961,151	1,886,360	99,291	1,985,651	24,525	(25)	24,501
Jul-09	1,861,835	99,316	1,961,151	1,886,360	99,291	1,985,651	24,525	(25)	24,501
Aug-09	1,861,835	99,316	1,961,151	1,886,360	99,291	1,985,651	24,525	(25)	24,501
Sep-09	1,861,835	99,316	1,961,151	1,886,360	99,291	1,985,651	24,525	(25)	24,501
Oct-09	1,861,835	99,314	1,961,149	1,886,360	99,291	1,985,651	24,525	(23)	24,503
Nov-09	1,861,835	99,314	1,961,149	1,886,360	99,291	1,985,651	24,525	(23)	24,503
Dec-09	1,861,835	99,314	1,961,149	1,886,360	99,291	1,985,651	24,525	(23)	24,503
Jan-10	1,861,835	117,779	1,979,613	1,886,360	117,718	2,004,078	24,525	(61)	24,464
Feb-10	1,861,835	117,779	1,979,613	1,886,360	117,718	2,004,078	24,525	(61)	24,464
Mar-10	1,861,835	117,779	1,979,613	1,886,360	117,718	2,004,078	24,525	(61)	24,464



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

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

RECEIVED

October 18, 2010

OCT 18 2010

RE: Monthly Environmental Surcharge Report
PUBLIC SERVICE COMMISSION

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

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2009-00501, KU 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,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', is written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

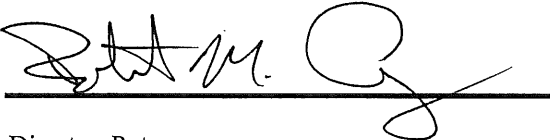
**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**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 = \$ 2,991,832

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.98%

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

Submitted by: 

Title: Director, Rates

Date Submitted: October 18, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,211,210,920
(2) RB / 12	= \$	100,934,243
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.12%
(4) OE	= \$	4,557,515
(5) BAS	= \$	(14,155)
(6) BR	= \$	-
(7) E(m)	= \$	15,795,558
	$(2) \times (3) + (4) - (5) + (6)$	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	88.85%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,034,353
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 09-501	=	617,650
(11) Prior Period Adjustment (if necessary)	=	(183,251)
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,468,752
(13) Revenue Collected through Base Rates	= \$	11,476,920
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,991,832
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	100,402,603
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	2.98%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,001,344,219	
Eligible Pollution CWIP Excluding AFUDC	340,059,642	
Subtotal		\$ 1,341,403,861
Additions:		
Inventory - Limestone	\$ 1,006,446	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	563,460	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	494,045	
Cash Working Capital Allowance	1,828,995	
Subtotal		3,253,013
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	62,222,891	
Pollution Control Deferred Income Taxes	43,072,511	
Pollution Control Deferred Investment Tax Credit	28,150,552	
Subtotal		133,445,954
Environmental Compliance Rate Base		\$ 1,211,210,920

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,317,383
Monthly Depreciation & Amortization Expense	3,065,606
Monthly Taxes Other Than Income Taxes	149,173
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	30,215
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	25,353
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 4,557,515

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	36,442	50,597	(14,155)
Total Proceeds from Sales	\$ 36,442	\$ 50,597	\$ (14,155)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: September 30, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	97,164.36	35,960.00	23,136.00	36,859.00	119,401.36	Adjustment to actual based on annual inventory fly-over.
Dollars	\$ 788,805.28	\$ 299,380.47	\$ -	\$ 255,447.37	\$ 832,738.38	
\$/Ton	\$ 8.12	\$ 8.33		\$6.93	\$6.97	
At E. W. Brown:						
Tons	12,703.99	4,095.88	(146.00)	3,803.00	12,850.87	Adjustment to actual based on annual inventory fly-over.
Dollars	\$ 156,648.74	\$ 68,465.37	\$ -	\$ 51,406.00	\$ 173,708.11	
\$/Ton	\$ 12.33	\$ 16.72	\$ -	\$13.52	\$ 13.52	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 929,973.15

KENTUCKY UTILITIES 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	Unamortized ITC as of 9/30/2010	Deferred Tax Balance as of 9/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 62,377	\$ -	\$ 772,669	\$ -	\$ 68,751	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 19,697,162	\$ 1,336,370	\$ 34,322,832	\$ 52,683,623	\$ -	\$ 2,038,640	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 62,841,126	\$ 86,055,784	\$ 994,050,510	\$ -	\$ 41,098,468	\$ 2,991,171	\$ 117,718
Subtotal	\$ 991,368,060	\$ 64,239,874	\$ 120,378,615	\$ 1,047,506,801	\$ -	\$ 43,205,859	\$ 3,039,073	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 986,660,675	\$ 62,014,282	\$ 120,378,615	\$ 1,045,025,008	\$ -	\$ 42,365,011	\$ 3,030,342	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 9/30/2010	Deferred Tax Balance as of 9/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 187,670,346	\$ 187,670,346	\$ 28,150,552	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 451,594	\$ 203,561	\$ 12,503,240	\$ -	\$ 639,124	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 92,640	\$ -	\$ 939,313	\$ -	\$ 49,314	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 64,321	\$ -	\$ 1,284,844	\$ -	\$ 33,058	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 608,554	\$ 187,873,907	\$ 202,397,743	\$ 28,150,552	\$ 721,496	\$ 36,398	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 208,609	\$ 187,873,907	\$ 202,348,842	\$ 28,150,552	\$ 707,499	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 16,157,082	\$ 16,157,082	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 744,538	\$ 744,538	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 10,865,127	\$ 10,865,127	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 3,176,960	\$ 3,176,960	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 862,821	\$ 862,821	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 592	\$ 592	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 31,807,120	\$ 31,807,120	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 31,807,120	\$ 31,807,120	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,001,344,219	\$ 62,222,891	\$ 340,059,642	\$ 1,279,180,970	\$ 28,150,552	\$ 43,072,511	\$ 3,065,606	\$ 149,173

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: September 30, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	82,875	5,979	3,875	\$ 551,721.77	\$ -	\$ 12,181.02	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	80,527	6,000	3,652	0	0	82,875	
Dollars	\$ 577,791.35	\$ 133.98	\$ 26,203.56	\$ -	\$ -	\$ 551,721.77	
\$/Allowance	\$ 7.18	\$ 0.02	\$ 7.18	\$ -	\$ -	\$ 6.66	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	80,527	-	3,652	-	-	82,875	Ending inventory includes allowances purchased from LG&E. See below.
Dollars	\$ 577,791.35	\$ (0.01)	\$ 26,203.56	\$ -	\$ -	\$ 551,721.77	Adjustment to correct August 2010 ending inventory balance.
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	6,000					Purchase from LG&E; included in ending Coal inventory balance above.
Dollars	\$ -	\$ 133.99					
\$/Allowance	\$ -	\$ 0.02	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,155	0	1,276	4	0	3,875	
Dollars	\$ 16,204.67	\$ -	\$ 4,011.08	\$ 12.57	\$ -	\$ 12,181.02	
\$/Allowance	\$ 3.14	\$ -	\$ 3.14	\$ 3.14	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,010	-	1,276	-	-	3,734	
Dollars	\$ 15,748.86	\$ 0.01	\$ 4,011.08	\$ -	\$ -	\$ 11,737.79	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	145	-	-	4	-	141	
Dollars	\$ 455.81	\$ (0.01)	\$ -	\$ 12.57	\$ -	\$ 443.23	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,259	0	1,276	4	0	5,979	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,081	-	1,276	-	-	5,805	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	178	0	0	4	0	174	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,126,771
10th Previous Month	1,169,895
9th Previous Month	1,080,424
8th Previous Month	1,245,270
7th Previous Month	1,173,542
6th Previous Month	1,030,809
5th Previous Month	912,574
4th Previous Month	1,188,779
3rd Previous Month	1,312,575
2nd Previous Month	1,402,080
Previous Month	1,671,859
Current Month	1,317,383
Total 12 Month O&M	\$ 14,631,959

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,631,959
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,828,995

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: September 30, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		0.00				0.00
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		0.00				0.00
Total 2001 Plan O&M Expenses		0.00				0.00
2005 Plan						
502006 - Scrubber Operations	51,406.00	195,523.65				246,929.65
512005 - Scrubber Maintenance	35,872.29	289,814.98				325,687.27
Total 2005 Plan O&M Expenses	87,278.29	485,338.63				572,616.92
2006 Plan						
506109 - Sorbent Injection Operation		715,217.66			-	715,217.66
512102 - Sorbent Injection Maintenance		29,548.18			-	29,548.18
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables					-	0.00
506105 - NOx Operation -- Labor and Other					-	0.00
512101 - NOx Maintenance					-	0.00
502006 - Scrubber Operations					-	0.00
512005 - Scrubber Maintenance					-	0.00
506001 - Precipitator Operation					-	0.00
506111 - Activated Carbon					-	0.00
512011 - Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	744,765.84	-	-	-	744,765.84
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations					-	-
512105 - ECR Landfill Maintenance					-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)					-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	87,278.29	1,230,104.47	-	-	-	1,317,382.76

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Green River	Tyrone	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 33							
(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 33 [(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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 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)+(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)
Oct-09	\$ 83,446,599	\$ 2,469,239	\$ 680,516	\$ 10,195,905	\$ 96,792,259	\$ 86,596,354	\$ 12,439,021	\$ 109,231,280	\$ 99,035,375
Nov-09	71,835,175	914,191	665,925	8,221,127	81,636,418	73,415,291	12,421,381	94,057,798	85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,205	137,952,400
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 100,402,603			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									88.85%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ 417.01	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 115,252,388	\$ 115,252,388
Fuel Adjustment Clause	\$ 5,976,449	\$ 5,976,449
DSM	\$ 1,340,408	\$ 1,340,408
Environmental Surcharge		\$ 4,465,805
CSR Credits		\$ (761,293)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 122,569,244	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 248	\$ 248
Virginia Retail	\$ 5,024,312	\$ 5,024,312
Wholesale	\$ 9,827,893	\$ 9,827,893
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 530,703	\$ 530,703
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,383,156	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 137,952,400	
Reconciling Revenues		
Brokered	\$ 417	\$ 417
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (22,706,000)
Provision for Refund		\$ -
Miscellaneous		\$ 3,250,871
Total Company Revenues per Income Statement =		\$ 122,202,199



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

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

November 19, 2010

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

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2009-00501, KU 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,

A handwritten signature in blue ink, appearing to read 'Robert M. Conroy', is written over a light blue rectangular background.

Robert M. Conroy

Enclosures

ES FORM 1.00

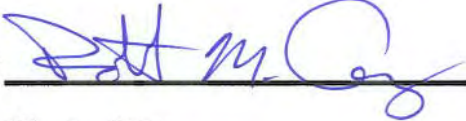
**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**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 = \$ 4,713,156

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 4.65%

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

Submitted by: 

Title: Director, Rates

Date Submitted: November 19, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,217,179,737
(2)	RB / 12	= \$	101,431,645
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.12%
(4)	OE	= \$	4,123,547
(5)	BAS	= \$	(21,963)
(6)	BK	= \$	-
(7)	E(m)	= \$	15,424,709
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	90.72%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,993,296
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 09-501	=	617,650
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,610,946
(13)	Revenue Collected through Base Rates	= \$	9,897,790
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	4,713,156
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	101,296,429
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	4.65%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,001,344,219	
Eligible Pollution CWIP Excluding AFUDC	351,741,393	
Subtotal		\$ 1,353,085,612
Additions:		
Inventory - Limestone	\$ 1,130,633	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per IIS Form 2.31, 2.32 and 2.33	604,439	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	535,024	
Cash Working Capital Allowance	1,800,373	
Subtotal		3,389,557
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	65,298,362	
Pollution Control Deferred Income Taxes	45,913,318	
Pollution Control Deferred Investment Tax Credit	28,083,752	
Subtotal		139,295,432
Environmental Compliance Rate Base		\$ 1,217,179,737

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 897,799
Monthly Depreciation & Amortization Expense	3,065,606
Monthly Taxes Other Than Income Taxes	149,173
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	15,831
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	10,969
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 4,123,547

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	28,635	50,597	(21,963)
Total Proceeds from Sales	\$ 28,635	\$ 50,597	\$ (21,963)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: October 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	119,401.36	42,422.00	0.00	31,854.00	129,969.36	
Dollars	\$ 832,738.38	\$ 346,073.26	\$ -	\$ 229,671.12	\$ 949,140.52	
\$/Ton	\$ 6.97	\$ 8.16		\$ 7.21	\$ 7.30	
At E.W. Brown:						
Tons	12,850.87	3,161.17	0.00	3,457.00	12,555.04	
Dollars	\$ 173,708.11	\$ 57,758.00	\$ -	\$ 49,973.54	\$ 181,492.57	
\$/Ton	\$ 13.52	\$ 18.27		\$ 14.46	\$ 14.46	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,054,159.75

KENTUCKY UTILITIES 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 AFLDC	Eligible Net Plant In Service	Unamortized ITC as of 10/31/2010	Deferred Tax Balance as of 10/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)-(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 64,319	\$ -	\$ 770,727	\$ -	\$ 70,420	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase 1)	\$ 19,697,162	\$ 1,382,330	\$ 34,359,744	\$ 52,674,576	\$ -	\$ 2,114,440	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 65,832,297	\$ 92,981,977	\$ 997,985,532	\$ -	\$ 43,818,924	\$ 2,991,171	\$ 117,718
Subtotal	\$ 991,368,060	\$ 67,278,946	\$ 127,341,722	\$ 1,051,430,835	\$ -	\$ 46,003,783	\$ 3,039,073	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan	\$ 986,660,675	\$ 65,053,355	\$ 127,341,722	\$ 1,048,949,042	\$ -	\$ 45,162,936	\$ 3,030,342	\$ 123,320

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2010

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 10/31/2010	(7) Deferred tax Balance as of 10/31/2010	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)+(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 187,225,010	\$ 187,225,010	\$ 28,083,752	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 481,192	\$ 203,561	\$ 12,473,641	\$ -	\$ 678,201	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 96,064	\$ -	\$ 935,889	\$ -	\$ 51,169	\$ 3,424	\$ 121
Project 27 - E W Brown Electrostatic Precipitators	\$ 1,349,165	\$ 67,697	\$ -	\$ 1,281,468	\$ -	\$ 35,010	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 644,952	\$ 187,428,571	\$ 201,916,009	\$ 28,083,752	\$ 764,379	\$ 36,598	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 245,007	\$ 187,428,571	\$ 201,867,108	\$ 28,083,752	\$ 750,382	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 19,980,677	\$ 19,980,677	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 921,248	\$ 921,248	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,290,047	\$ 11,290,047	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 3,909,890	\$ 3,909,890	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 866,937	\$ 866,937	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 2,301	\$ 2,301	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 36,971,100	\$ 36,971,100	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 36,971,100	\$ 36,971,100	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,001,344,219	\$ 65,298,362	\$ 351,741,393	\$ 1,287,787,250	\$ 28,083,752	\$ 45,913,318	\$ 3,065,606	\$ 149,173

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: October 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	81,073	4,990	3,867	\$ 592,726.16	\$ -	\$ 12,155.87	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of October 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	82,875	489	2,291	0	0	81,073	
Dollars	\$ 551,721.77	\$ 56,835.43	\$ 15,831.04	\$ -	\$ -	\$ 592,726.16	
\$/Allowance	\$ 6.66	\$ 116.23	\$ 6.91	\$ -	\$ -	\$ 7.31	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	82,875	489	2,291	-	-	81,073	Net of sales/purchases with OMU (purchased 1076 / sold 587)
Dollars	\$ 551,721.77	\$ 56,835.43	\$ 15,831.04	\$ -	\$ -	\$ 592,726.16	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of October 2010

	Beginning Inventory	Allocations Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,875	0	0	0	8	3,867	
Dollars	\$ 12,181.02	\$ -	\$ -	\$ -	\$ 25.15	\$ 12,155.87	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ 3.14	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,734	-	-	-	8	3,726	Sales to OMU
Dollars	\$ 11,737.79	\$ -	\$ -	\$ -	\$ 25.15	\$ 11,712.64	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	141	-	-	-	-	141	
Dollars	\$ 443.23	\$ -	\$ -	\$ -	\$ -	\$ 443.23	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of October 2010

	Beginning Inventory	Allocations Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,979	0	900	2	87	4,990	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,805	-	900	-	87	4,818	Sales to OMU
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	174	0	0	2	0	172	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,169,895
10th Previous Month	1,080,424
9th Previous Month	1,245,270
8th Previous Month	1,173,542
7th Previous Month	1,030,809
6th Previous Month	912,574
5th Previous Month	1,188,779
4th Previous Month	1,312,575
3rd Previous Month	1,402,080
2nd Previous Month	1,671,859
Previous Month	1,317,383
Current Month	897,799
Total 12 Month O&M	\$ 14,402,987

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,402,987
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,800,373

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: October 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506104 - NOx Operation -- Consumables		0.00				0.00
506105 - NOx Operation -- Labor and Other		0.00				0.00
512101 - NOx Maintenance		0.00				0.00
Total 2001 Plan O&M Expenses		0.00				0.00
2005 Plan						
502006 - Scrubber Operations	49,973.54	157,237.55				207,211.09
512005 - Scrubber Maintenance	27,246.41	83,743.32				110,989.73
Total 2005 Plan O&M Expenses	77,219.95	240,980.87				318,200.82
2006 Plan						
506109 - Sorbent Injection Operation		575,622.09			-	575,622.09
512102 - Sorbent Injection Maintenance		3,976.32			-	3,976.32
506110 - Mercury Monitors Operation	-	-	-	-	-	0.00
512103 - Mercury Monitors Maintenance	-	-	-	-	-	0.00
506104 - NOx Operation -- Consumables						0.00
506105 - NOx Operation -- Labor and Other						0.00
512101 - NOx Maintenance						0.00
502006 - Scrubber Operations						0.00
512005 - Scrubber Maintenance						0.00
506001 - Precipitator Operation						0.00
506111 - Activated Carbon						0.00
512011 - Precipitator Maintenance						0.00
Total 2006 Plan O&M Expenses	-	579,598.41	-	-	-	579,598.41
2009 Plan						
506104 - NOx Operation -- Consumables	-					-
506105 - NOx Operation -- Labor and Other	-					-
512101 - NOx Maintenance	-					-
506109 - Sorbent Injection Operation						-
512102 - Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	77,219.95	820,579.28	-	-	-	897,799.23

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2010

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: October 31, 2010

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	F. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES 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 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 OII-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Nov-09	\$ 71,835,175	\$ 914,191	\$ 665,925	\$ 8,221,127	\$ 81,636,418	\$ 73,415,291	\$ 12,421,381	\$ 94,057,798	\$ 85,836,671
Dec-09	91,427,506	276,949	992,422	11,126,810	103,823,687	92,696,877	17,851,202	121,674,889	110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 101,296,429			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									90.72%
							Note 1 - Excludes Brokered Sales, Total for Current Month -	\$	-

ES FORM 3.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 94,328,977	\$ 94,328,977
Fuel Adjustment Clause	\$ 2,032,353	\$ 2,032,353
DSM	\$ 960,928	\$ 960,928
Environmental Surcharge		\$ 678,496
CSR Credits		\$ (720,914)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 97,322,258	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 218	\$ 218
Virginia Retail	\$ 4,618,053	\$ 4,618,053
Wholesale	\$ 4,357,636	\$ 4,357,636
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 974,906	\$ 974,906
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,950,814	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 107,273,072	
Reconciling Revenues		
Brokered	\$ -	\$ -
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (10,691,000)
Provision for Refund		\$ 6
Miscellaneous		\$ 970,058
Total Company Revenues per Income Statement –		\$ 97,509,718



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

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DEC 20 2010

**PUBLIC SERVICE
COMMISSION**

Kentucky Utilities 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), Kentucky Utilities Company ("KU") 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. 2009-00501, KU 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 KU 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, KU 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

ES FORM 1.00

**KENTUCKY UTILITIES 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 = \$ 4,221,007

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 4.11%

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

Submitted by:  _____

Title: Director, Rates

Date Submitted: December 20, 2010

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,221,342,014
(2)	RB / 12	= \$	101,778,501
(3)	$(ROR + (ROR - DR)(TR / (1 - TR)))$	=	11.12%
(4)	OE	= \$	4,267,691
(5)	BAS	= \$	(19,336)
(6)	BR	= \$	-
(7)	$E(m)$	= \$	15,604,796
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	88.01%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,733,781
(10)	Adjustment for (Over)Under-collection pursuant to Case No. 09-501	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,733,781
(13)	Revenue Collected through Base Rates	= \$	9,512,774
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	4,221,007
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	102,819,017
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	4.11%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,001,344,219	
Eligible Pollution CWIP Excluding AFUDC	361,801,863	
Subtotal		\$ 1,363,146,082
Additions:		
Inventory - Limestone	\$ 966,035	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	587,433	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	518,018	
Cash Working Capital Allowance	1,784,233	
Subtotal		3,191,813
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	68,373,833	
Pollution Control Deferred Income Taxes	48,754,126	
Pollution Control Deferred Investment Tax Credit	27,867,922	
Subtotal		144,995,881
Environmental Compliance Rate Base		\$ 1,221,342,014

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,040,769
Monthly Depreciation & Amortization Expense	3,065,606
Monthly Taxes Other Than Income Taxes	149,173
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	17,005
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	12,143
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 4,267,691

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	31,261	50,597	(19,336)
Total Proceeds from Sales	\$ 31,261	\$ 50,597	\$ (19,336)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: November 30, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	129,969.36	16,250.00	0.00	34,361.00	111,858.36	
Dollars	\$ 949,140.52	\$ 136,709.93	\$ -	\$ 255,170.78	\$ 830,679.67	
\$/Ton	\$ 7.30	\$ 8.41		\$7.43	\$7.43	
At E.W. Brown:						
Tons	12,555.04	0.00	0.00	4,208.00	8,347.04	
Dollars	\$ 181,492.57	\$ 22,100.00	\$ -	\$ 68,236.94	\$ 135,355.63	Purchase is the contract minimum
\$/Ton	\$ 14.46			\$16.22	\$ 16.22	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 889,561.96

KENTUCKY UTILITIES 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	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 11/30/2010	Deferred Tax Balance as of 11/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 66,260.23	\$ -	\$ 768,786	\$ -	\$ 72,089	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase 1)	\$ 19,697,162	\$ 1,428,290.36	\$ 34,490,957	\$ 52,759,829	\$ -	\$ 2,190,240	\$ 45,960	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 970,835,852	\$ 68,823,468.51	\$ 99,387,151	\$ 1,001,399,535	\$ -	\$ 46,539,379	\$ 2,991,171	\$ 117,718
Subtotal	\$ 991,368,060	\$ 70,318,019	\$ 133,878,109	\$ 1,054,928,149	\$ -	\$ 48,801,708	\$ 3,039,073	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 986,660,675	\$ 68,092,427	\$ 133,878,109	\$ 1,052,446,356	\$ -	\$ 47,960,860	\$ 3,030,342	\$ 123,320

**KENTUCKY UTILITIES 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	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 11/30/2010	Deferred Tax Balance as of 11/30/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 185,786,150	\$ 185,786,150	\$ 27,867,922	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 510,790.10	\$ 203,561	\$ 12,444,043	\$ -	\$ 717,277	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 99,487.44	\$ -	\$ 932,466	\$ -	\$ 53,023	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 71,072.75	\$ -	\$ 1,278,092	\$ -	\$ 36,962	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 681,350	\$ 185,989,711	\$ 200,440,751	\$ 27,867,922	\$ 807,262	\$ 36,398	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 281,405	\$ 185,989,711	\$ 200,391,850	\$ 27,867,922	\$ 793,266	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 22,930,489	\$ 22,930,489	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 1,340,109	\$ 1,340,109	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,438,576	\$ 11,438,576	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 5,351,276	\$ 5,351,276	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 870,343	\$ 870,343	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,250	\$ 3,250	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 41,934,044	\$ 41,934,044	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 41,934,044	\$ 41,934,044	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,001,344,219	\$ 68,373,833	\$ 361,801,863	\$ 1,294,772,249	\$ 27,867,922	\$ 48,754,126	\$ 3,065,606	\$ 149,173

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: November 30, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	78,747	4,011	3,867	\$ 575,720.73	\$ -	\$ 12,155.87	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	81,073	0	2,326	0	0	78,747	
Dollars	\$ 592,726.16	\$ -	\$ 17,005.43	\$ -	\$ -	\$ 575,720.73	
\$/Allowance	\$ 7.31	\$ -	\$ 7.31	\$ -	\$ -	\$ 7.31	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	81,073	-	2,326	-	-	78,747	
Dollars	\$ 592,726.16	\$ -	\$ 17,005.43	\$ -	\$ -	\$ 575,720.73	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,867	0	0	0	0	3,867	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,726	-	-	-	-	3,726	
Dollars	\$ 11,712.64	\$ -	\$ -	\$ -	\$ -	\$ 11,712.64	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	141	-	-	-	-	141	
Dollars	\$ 443.23	\$ -	\$ -	\$ -	\$ -	\$ 443.23	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,990	0	979	0	0	4,011	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,818	-	979	-	-	3,839	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	172	0	0	0	0	172	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,080,424
10th Previous Month	1,245,270
9th Previous Month	1,173,542
8th Previous Month	1,030,809
7th Previous Month	912,574
6th Previous Month	1,188,779
5th Previous Month	1,312,575
4th Previous Month	1,402,080
3rd Previous Month	1,671,859
2nd Previous Month	1,317,383
Previous Month	897,799
Current Month	1,040,769
Total 12 Month O&M	\$ 14,273,861

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,273,861
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,784,233

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: November 30, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506154 - ECR NOx Operation -- Consumables		0.00				0.00
506155 - ECR NOx Operation -- Labor and Other		0.00				0.00
512151 - ECR NOx Maintenance		0.00				0.00
Total 2001 Plan O&M Expenses		0.00				0.00
2005 Plan						
502056 - ECR Scrubber Operations	68,236.94	181,213.80				249,450.74
512055 - ECR Scrubber Maintenance	25,914.02	174,389.09				200,303.11
Total 2005 Plan O&M Expenses	94,150.96	355,602.89				449,753.85
2006 Plan						
506159 - ECR Sorbent Injection Operation		583,387.61			-	583,387.61
512152 - ECR Sorbent Injection Maintenance		7,627.95			-	7,627.95
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					-	0.00
506155 - ECR NOx Operation -- Labor and Other					-	0.00
512151 - ECR NOx Maintenance					-	0.00
502056 - ECR Scrubber Operations					-	0.00
512055 - ECR Scrubber Maintenance					-	0.00
506051 - ECR Precipitator Operation					-	0.00
506151 - ECR Activated Carbon					-	0.00
512051 - ECR Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	591,015.56	-	-	-	591,015.56
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation						-
512152 - ECR Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	94,150.96	946,618.45	-	-	-	1,040,769.41

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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-09	\$ 91,427,506	\$ 276,949	\$ 992,422	\$ 11,126,810	\$ 103,823,687	\$ 92,696,877	\$ 17,851,202	\$ 121,674,889	\$ 110,548,079
Jan-10	108,008,979	(2,482,512)	1,958,642	14,951,912	122,437,021	107,485,109	19,926,620	142,363,641	127,411,729
Feb-10	106,658,969	886,866	1,683,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,184	104,174,963
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 102,819,017			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									88.01%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$		

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 88,962,545	\$ 88,962,545
Fuel Adjustment Clause	\$ 1,821,557	\$ 1,821,557
DSM	\$ 902,245	\$ 902,245
Environmental Surcharge		\$ 2,948,221
CSR Credits		\$ (738,769)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 91,686,347	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 333	\$ 333
Virginia Retail	\$ 5,059,010	\$ 5,059,010
Wholesale	\$ 6,298,732	\$ 6,298,732
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,130,540	\$ 1,130,540
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 12,488,616	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 104,174,962	
Reconciling Revenues		
Brokered	\$ -	\$ -
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 641,000
Provision for Refund		\$ -
Miscellaneous		\$ (2,181,819)
Total Company Revenues per Income Statement =		\$ 104,843,596



a PPL company

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

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

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JAN 18 2011

**PUBLIC SERVICE
COMMISSION**

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

January 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00241, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a large, stylized circular flourish.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

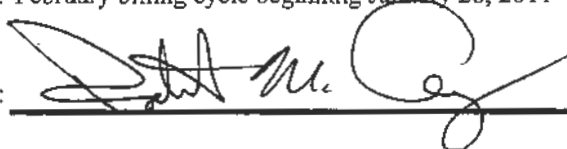
Net Jurisdictional E(m) and Jurisdictional Environmental Surcharge Billing Factor For the Expense Month of December 2010

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 2,656,468

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.55%

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

Submitted by:



Title: Director, Rates

Date Submitted: January 18, 2011

KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,222,653,216
(2)	RB / 12	= \$	101,887,768
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4)	OE	= \$	5,000,105
(5)	BAS	= \$	(31,467)
(6)	BR	= \$	-
(7)	E(m)	= \$	16,096,584
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.99%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,002,418
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	577,091
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,579,509
(13)	Revenue Collected through Base Rates	= \$	11,923,041
(14)	Net Jurisdictional E(m) -- Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,656,468
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	104,328,682
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	2.55%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2010

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,068,866,340	
Eligible Pollution CWIP Excluding AFUDC	302,054,237	
Subtotal		\$ 1,370,920,577
Additions:		
Inventory - Limestone	\$ 992,046	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	566,136	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	496,721	
Cash Working Capital Allowance	1,858,325	
Subtotal		3,270,618
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	71,544,961	
Pollution Control Deferred Income Taxes	52,214,376	
Pollution Control Deferred Investment Tax Credit	27,778,642	
Subtotal		151,537,979
Environmental Compliance Rate Base		\$ 1,222,653,216

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,673,161
Monthly Depreciation & Amortization Expense	3,161,263
Monthly Taxes Other Than Income Taxes	149,173
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	21,370
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	16,508
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,000,105

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	19,130	50,597	(31,467)
Total Proceeds from Sales	\$ 19,130	\$ 50,597	\$ (31,467)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: December 31, 2010

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	111,858.36	42,575.00	0.00	42,324.00	112,109.36	
Dollars	\$ 830,679.67	\$ 366,730.91	\$ -	\$ 324,133.77	\$ 873,276.81	
\$/Ton	\$ 7.43	\$ 8.61		\$7.66	\$7.79	
At E.W. Brown:						
Tons	8,347.04	4,622.74	0.00	6,251.00	6,718.78	
Dollars	\$ 135,355.63	\$ 74,895.87	\$ -	\$ 91,482.79	\$ 118,768.71	
\$/Ton	\$ 16.22	\$ 16.20		\$14.63	\$ 17.68	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 915,572.18

KENTUCKY UTILITIES 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	Unamortized ITC as of 12/31/2010	Deferred Tax Balance as of 12/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 68,201.71	\$ -	\$ 766,844	\$ -	\$ 73,759	\$ 1,941	\$ 99
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,488,970.98	\$ 19,236,346	\$ 52,402,604	\$ -	\$ 2,405,780	\$ 60,681	\$ 5,814
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 71,895,576.34	\$ 51,961,059	\$ 1,003,465,389	\$ -	\$ 49,739,536	\$ 3,072,108	\$ 117,718
Subtotal	\$ 1,058,890,181	\$ 73,452,749	\$ 71,197,405	\$ 1,056,634,837	\$ -	\$ 52,219,075	\$ 3,134,730	\$ 123,630
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 1,054,182,796	\$ 71,227,157	\$ 71,197,405	\$ 1,054,153,044	\$ -	\$ 51,378,227	\$ 3,125,999	\$ 123,320

KENTUCKY UTILITIES 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	Unamortized ITC as of 12/31/2010	Deferred Tax Balance as of 12/31/2010	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ 185,190,950	\$ 185,190,950	\$ 27,778,642	\$ -	\$ -	\$ 23,194
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 540,388.35	\$ 203,561	\$ 12,414,445	\$ -	\$ 756,354	\$ 29,598	\$ 1,563
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 102,911.33	\$ -	\$ 929,042	\$ -	\$ 54,878	\$ 3,424	\$ 121
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 74,448.73	\$ -	\$ 1,274,716	\$ -	\$ 38,915	\$ 3,376	\$ 164
Subtotal	\$ 15,132,390	\$ 717,748	\$ 185,394,511	\$ 199,809,152	\$ 27,778,642	\$ 850,146	\$ 36,398	\$ 25,042
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 14,683,544	\$ 317,803	\$ 185,394,511	\$ 199,760,252	\$ 27,778,642	\$ 836,149	\$ 35,264	\$ 24,979
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 23,839,941	\$ 23,839,941	\$ -	\$ -	\$ -	\$ 88
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 1,707,556	\$ 1,707,556	\$ -	\$ -	\$ -	\$ 3
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 13,062,172	\$ 13,062,172	\$ -	\$ -	\$ -	\$ 680
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 5,493,583	\$ 5,493,583	\$ -	\$ -	\$ -	\$ 103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,111,660	\$ 1,111,660	\$ -	\$ -	\$ -	\$ -
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 247,409	\$ 247,409	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 45,462,321	\$ 45,462,321	\$ -	\$ -	\$ -	\$ 874
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 45,462,321	\$ 45,462,321	\$ -	\$ -	\$ -	\$ 874
Net Total - All Plans:	\$ 1,068,866,340	\$ 71,544,961	\$ 302,054,237	\$ 1,299,375,616	\$ 27,778,642	\$ 52,214,376	\$ 3,161,263	\$ 149,173

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: December 31, 2010

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	79,071	1,075	3,867	\$ 554,423.13	\$ -	\$ 12,155.87	
2011	77,535	15,158	6,683				
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030 - 2040	852,885						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	78,747	3,247	2,923	0	0	79,071	
Dollars	\$ 575,720.73	\$ 72.51	\$ 21,370.11	\$ -	\$ -	\$ 554,423.13	
\$/Allowance	\$ 7.31	\$ 0.02	\$ 7.31	\$ -	\$ -	\$ 7.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	78,747	-	2,923	-	-	79,071	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 575,720.73	\$ -	\$ 21,370.11	\$ -	\$ -	\$ 554,423.13	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	3,247					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 72.51	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 0.02	\$ -	\$ -	\$ -	\$ -	

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

ES FORM 2.32

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,867	0	0	0	0	3,867	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 3.14	\$ -	\$ -	\$ -	\$ -	\$ 3.14	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,726	-	-	-	-	3,726	
Dollars	\$ 11,712.64	\$ -	\$ -	\$ -	\$ -	\$ 11,712.64	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	141	-	-	-	-	141	
Dollars	\$ 443.23	\$ -	\$ -	\$ -	\$ -	\$ 443.23	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,011	0	1,427	9	1,500	1,075	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,839	-	1,427	-	1,500	912	Allowances sold to LG&E
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	172	0	0	9	0	163	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2010

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,245,270
10th Previous Month	1,173,542
9th Previous Month	1,030,809
8th Previous Month	912,574
7th Previous Month	1,188,779
6th Previous Month	1,312,575
5th Previous Month	1,402,080
4th Previous Month	1,671,859
3rd Previous Month	1,317,383
2nd Previous Month	897,799
Previous Month	1,040,769
Current Month	1,673,161
Total 12 Month O&M	\$ 14,866,598

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,866,598
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,858,325

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2010

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2001 Plan						
506154 - ECR NOx Operation -- Consumables		0.00				0.00
506155 - ECR NOx Operation -- Labor and Other		0.00				0.00
512151 - ECR NOx Maintenance		0.00				0.00
Total 2001 Plan O&M Expenses		0.00				0.00
2005 Plan						
502056 - ECR Scrubber Operations	91,482.79	254,590.60				346,073.39
512055 - ECR Scrubber Maintenance	32,843.29	244,568.26				277,411.55
Total 2005 Plan O&M Expenses	124,326.08	499,158.86				623,484.94
2006 Plan						
506159 - ECR Sorbent Injection Operation		1,022,599.15			-	1,022,599.15
512152 - ECR Sorbent Injection Maintenance		27,077.38			-	27,077.38
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					-	0.00
506155 - ECR NOx Operation -- Labor and Other					-	0.00
512151 - ECR NOx Maintenance					-	0.00
502056 - ECR Scrubber Operations					-	0.00
512055 - ECR Scrubber Maintenance					-	0.00
506051 - ECR Precipitator Operation					-	0.00
506151 - ECR Activated Carbon					-	0.00
512051 - ECR Precipitator Maintenance					-	0.00
Total 2006 Plan O&M Expenses	-	1,049,676.53	-	-	-	1,049,676.53
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation						-
512152 - ECR Sorbent Injection Maintenance						-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	124,326.08	1,548,835.39	-	-	-	1,673,161.47

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: December 31, 2010

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: December 31, 2010

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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 OIT-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Jan-10	\$ 108,008,979	\$ (2,482,512)	\$ 1,958,642	\$ 14,951,912	\$ 122,437,021	\$ 107,485,109	\$ 19,926,620	\$ 142,363,641	\$ 127,411,729
Feb-10	106,658,969	886,866	1,685,828	13,417,060	122,648,723	109,231,663	24,442,776	147,091,499	133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	116,547,052	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 104,328,682			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.99%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$		

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2010

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 113,173,146	\$ 113,173,146
Fuel Adjustment Clause	\$ (3,885,712)	\$ (3,885,712)
DSM	\$ 1,525,425	\$ 1,525,425
Environmental Surcharge		\$ 5,096,959
CSR Credits		\$ (696,797)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 110,812,859	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 565	\$ 565
Virginia Retail	\$ 6,876,137	\$ 6,876,137
Wholesale	\$ 8,707,300	\$ 8,707,300
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 984,023	\$ 984,023
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,568,025	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 127,380,884	
Reconciling Revenues		
Brokered	\$ -	\$ -
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 31,183,000
Provision for Refund		\$ -
Miscellaneous		\$ 170,783
Total Company Revenues per Income Statement =		\$ 163,134,828



a PPL company

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

February 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00241, KU 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, KU 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, KU 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.

Also, it has come to my attention that on ES Form 2.10, KU has inadvertently included projects costs in its CWIP balance that should have been removed as of September 2009. Attached to this filing is Attachment 1 that includes the cumulative effect of the error that is reflected as a Prior Period Adjustment on ES Form 1.10.

RECEIVED

FEB 18 2011

PUBLIC SERVICE
COMMISSION

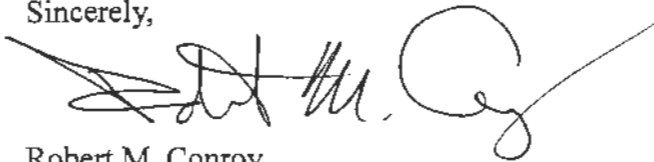
Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

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

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,

A handwritten signature in black ink, appearing to read "R. M. Conroy". The signature is fluid and cursive, with a large, prominent "C" at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES 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 = \$ 86,002

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 0.08%

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

Submitted by: 

Title: Director, Rates

Date Submitted: February 18, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,217,833,316
(2) RB / 12	= \$	101,486,110
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.86%
(4) OE	= \$	5,373,215
(5) BAS	= \$	(32,084)
(6) BR	= \$	-
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$ 16,426,691

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.12%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	13,982,399
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11) Prior Period Adjustment (if necessary)	=	(78,018)
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,904,381
(13) Revenue Collected through Base Rates	= \$	13,818,379
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	86,002
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	106,403,777
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0.08%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	120,351,944	
Subtotal		\$ 1,372,945,523
Additions:		
Inventory - Limestone	\$ 915,541	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	557,137	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	487,722	
Cash Working Capital Allowance	1,906,078	
Subtotal		3,232,868
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	75,134,023	
Pollution Control Deferred Income Taxes	55,677,458	
Pollution Control Deferred Investment Tax Credit	27,533,594	
Subtotal		158,345,075
Environmental Compliance Rate Base		\$ 1,217,833,316

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,627,292
Monthly Depreciation & Amortization Expense	3,579,198
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,222
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,360
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,373,215

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 12,727	\$ -	\$ 12,727
Scrubber By-Products Sales	5,786	50,597	(44,811)
Total Proceeds from Sales	\$ 18,513	\$ 50,597	\$ (32,084)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: January 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	112,109.36	43,673.00	0.00	49,598.00	106,184.36	
Dollars	\$ 873,276.81	\$ 391,166.22	\$ -	\$ 399,594.70	\$ 864,848.33	
\$/Ton	\$ 7.79	\$ 8.96		\$8.06	\$8.14	
At E.W. Brown:						
Tons	6,718.78	3,866.21	0.00	7,343.00	3,241.99	
Dollars	\$ 118,768.71	\$ 46,742.70	\$ -	\$ 114,818.28	\$ 50,693.13	
\$/Ton	\$ 17.68	\$ 12.09		\$15.64	\$ 15.64	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 839,068.12

KENTUCKY UTILITIES 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	Unamortized ITC as of 1/31/2011	Deferred Tax Balance as of 1/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 70,143.19	\$ -	\$ 764,903	\$ -	\$ 75,329	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,564,372.18	\$ 19,247,836	\$ 52,338,692	\$ -	\$ 2,541,036	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 75,048,620.80	\$ 53,455,480	\$ 1,001,806,766	\$ -	\$ 52,652,979	\$ 3,153,044	\$ 125,433
Subtotal	\$ 1,058,890,181	\$ 76,683,136	\$ 72,703,316	\$ 1,054,910,361	\$ -	\$ 55,269,344	\$ 3,230,387	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 1,054,182,796	\$ 74,457,544	\$ 72,703,316	\$ 1,052,428,568	\$ -	\$ 54,428,497	\$ 3,221,657	\$ 131,769

KENTUCKY UTILITIES 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	Unamortized ITC as of 1/31/2011	Deferred Tax Balance as of 1/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 183,727,239	\$ 322,277.49	\$ -	\$ 183,404,962	\$ 27,533,594	\$ 369,679	\$ 322,277	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 569,986.60	\$ 203,561	\$ 12,384,847	\$ -	\$ 796,056	\$ 29,598	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 106,335.22	\$ -	\$ 925,618	\$ -	\$ 56,589	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 77,824.71	\$ -	\$ 1,271,340	\$ -	\$ 40,634	\$ 3,376	\$ 159
Subtotal	\$ 198,859,629	\$ 1,076,424	\$ 203,561	\$ 197,986,767	\$ 27,533,594	\$ 1,262,958	\$ 358,676	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 198,410,783	\$ 676,479	\$ 203,561	\$ 197,937,866	\$ 27,533,594	\$ 1,248,961	\$ 357,542	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 24,804,495	\$ 24,804,495	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 2,062,376	\$ 2,062,376	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 13,522,871	\$ 13,522,871	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAPAGSP)	\$ -	\$ -	\$ 5,641,451	\$ 5,641,451	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,149,783	\$ 1,149,783	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 264,091	\$ 264,091	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 47,445,067	\$ 47,445,067	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 47,445,067	\$ 47,445,067	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,252,593,579	\$ 75,134,023	\$ 120,351,944	\$ 1,297,811,500	\$ 27,533,594	\$ 55,677,458	\$ 3,579,198	\$ 162,365

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	157,520	14,872	10,550	\$ 545,252.69	\$ -	\$ 12,155.87	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,606	3,519	2,605	0	0	157,520	
Dollars	\$ 554,423.13	\$ 51.89	\$ 9,222.33	\$ -	\$ -	\$ 545,252.69	
\$/Allowance	\$ 3.54	\$ 0.01	\$ 3.54	\$ -	\$ -	\$ 3.46	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,606	-	2,605	-	-	157,520	Beginning Inventory includes 77,535 for 2011; Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 554,423.13	\$ -	\$ 9,222.33	\$ -	\$ -	\$ 545,252.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	3,519					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 51.89					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NO_x) - 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,550	0	0	0	0	10,550	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,314	-	-	-	-	10,314	Beginning balance includes 6,588 allowances for 2011
Dollars	\$ 11,712.64	\$ 171.31	\$ -	\$ -	\$ -	\$ 11,883.95	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	236	-	-	-	-	236	Beginning balance includes 95 allowances for 2011
Dollars	\$ 443.23	\$ (171.31)	\$ -	\$ -	\$ -	\$ 271.92	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	16,233	0	1,360	1	0	14,872	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,936	-	1,360	-	-	14,576	Beginning balance includes 15,024 allowances for 2011
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	297	0	0	1	0	296	Beginning balance includes 134 allowances for 2011
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,173,542
10th Previous Month	1,030,809
9th Previous Month	912,574
8th Previous Month	1,188,779
7th Previous Month	1,312,575
6th Previous Month	1,402,080
5th Previous Month	1,671,859
4th Previous Month	1,317,383
3rd Previous Month	897,799
2nd Previous Month	1,040,769
Previous Month	1,673,161
Current Month	1,627,292
Total 12 Month O&M	\$ 15,248,621

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,248,621
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,906,078

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	114,818.28	299,868.84				414,687.12
512055 - ECR Scrubber Maintenance	37,960.42	140,960.37				178,920.79
Total 2005 Plan O&M Expenses	152,778.70	440,829.21				593,607.91
2006 Plan						
506159 - ECR Sorbent Injection Operation		21,539.15			7,168.43	28,707.58
506152 - ECR Sorbent Reactant - Reagent Only		927,273.88			13,848.21	941,122.09
512152 - ECR Sorbent Injection Maintenance		6,816.38			-	6,816.38
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					23,465.77	23,465.77
506155 - ECR NOx Operation -- Labor and Other					1,219.10	1,219.10
512151 - ECR NOx Maintenance					223.40	223.40
502056 - ECR Scrubber Operations					21,268.98	21,268.98
512055 - ECR Scrubber Maintenance					9,647.72	9,647.72
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					1,213.07	1,213.07
Total 2006 Plan O&M Expenses	-	955,629.41	-	-	78,054.68	1,033,684.09
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	152,778.70	1,396,458.62	-	-	78,054.68	1,627,292.00

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2011

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: January 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: January 31, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Feb-10	\$ 106,658,969	\$ 886,866	\$ 1,685,828	\$ 13,417,060	\$ 122,648,723	\$ 109,231,663	\$ 24,442,776	\$ 147,091,499	\$ 133,674,439
Mar-10	99,982,694	3,785,949	1,520,431	11,257,977	116,547,052	105,289,075	12,638,911	129,185,963	117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 106,403,777			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									85.12%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$	(15.07)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 133,983,325	\$ 133,983,325
Fuel Adjustment Clause	\$ (4,079,961)	\$ (4,079,961)
DSM	\$ 2,482,893	\$ 2,482,893
Environmental Surcharge		\$ 5,407,256
CSR Credits		\$ (788,394)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 132,386,258	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 361	\$ 361
Virginia Retail	\$ 9,400,638	\$ 9,400,638
Wholesale	\$ 10,441,396	\$ 10,441,396
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,292,556	\$ 3,292,556
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 23,134,950	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 155,521,208	
Reconciling Revenues		
Brokered	\$ (15)	\$ (15)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (9,706,000)
Provision for Refund		\$ -
Miscellaneous		\$ 2,798,599
Total Company Revenues per Income Statement =		\$ 153,232,654

Attachment 1

Kentucky Utilities Company

Revisions to Net Jurisdictional E(m) for Expense Month January 2011

Attachment 1

KU ECR Project 20 - Cumulative Impact of Adjustment for Brown Ash Handling Equipment

1	2	3	4	5	6	7	8	9	
Expense Month	CWIP Overstated	Rate of Return	Change to		Change to O&M (Property Taxes)	Change to Total E(m)	Retail Juris Allocation	Change to Juris E(m)	
			Return on Rate Base	Property Tax Rate					(Col 2 x Col 3)/12
Sep-09	\$ (642,756)	11.12%	\$ (5,956)	n/a	\$ -	\$ (5,956)	87.86%	\$ (5,233)	
Oct-09	(642,756)	11.12%	(5,956)	n/a	-	(5,956)	87.44%	\$ (5,208)	
Nov-09	(642,756)	11.12%	(5,956)	n/a	-	(5,956)	85.53%	\$ (5,094)	
Dec-09	(642,756)	11.00%	(5,892)	n/a	-	(5,892)	83.85%	\$ (4,940)	
Jan-10	(642,756)	11.00%	(5,892)	0.15%	(80)	(5,972)	84.36%	\$ (5,038)	
Feb-10	(642,756)	11.00%	(5,892)	0.15%	(80)	(5,972)	81.71%	\$ (4,880)	
Mar-10	(642,756)	11.00%	(5,892)	0.15%	(80)	(5,972)	89.28%	\$ (5,332)	
Apr-10	(642,756)	11.00%	(5,892)	0.15%	(80)	(5,972)	87.37%	\$ (5,218)	
May-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	86.68%	\$ (5,232)	
Jun-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	86.14%	\$ (5,200)	
Jul-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	86.06%	\$ (5,195)	
Aug-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	87.69%	\$ (5,293)	
Sep-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	88.85%	\$ (5,363)	
Oct-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	90.72%	\$ (5,476)	
Nov-10	(642,756)	11.12%	(5,956)	0.15%	(80)	(6,037)	88.01%	\$ (5,313)	
Total - Cumulative Impact of Adjustment for Project 20 - Ash Handling Equipment									<u>\$ (78,018)</u>

Property Taxes on CWIP are based on the year-end CWIP balance. The adjustment does not apply to months in 2009 because CWIP balance was properly stated at December 31, 2008.



a PPL company

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

RECEIVED

MAR 18 2011

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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), Kentucky Utilities Company ("KU") 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. 2010-00241, KU 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 note that KU revised ES Form 2.0 to include a footnote to reflect KU's share of SO₂ emission allowance expense associated with Trimble County Unit 2 that is not included on ES Form 2.31. The emission allowance inventory is maintained by the generating station operator, LG&E, therefore the allowance expense is not included on KU's ES Form 2.31.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R M Conroy', with a large, stylized flourish at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES 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 = \$ 2,721,724

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.54%

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

Submitted by: 

Title: Director, Rates

Date Submitted: March 18, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,214,036,916
(2)	RB / 12	= \$	101,169,743
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.86%
(4)	OE	= \$	5,906,623
(5)	BAS	= \$	(12,324)
(6)	BR	= \$	-
(7)	E(m)	= \$	16,905,981
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.06%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,549,287
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00241	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,549,287
(13)	Revenue Collected through Base Rates	= \$	11,827,563
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,721,724
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,016,860
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	2.54%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	123,872,733	
Subtotal		\$ 1,376,466,312
Additions:		
Inventory - Limestone	\$ 704,986	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	548,746	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	479,331	
Cash Working Capital Allowance	1,989,279	
Subtotal		3,097,123
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	79,045,364	
Pollution Control Deferred Income Taxes	59,015,174	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		165,526,519
Environmental Compliance Rate Base		\$ 1,214,036,916

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,839,149
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,495
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	3,633
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,906,623

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	38,274	50,597	(12,324)
Total Proceeds from Sales	\$ 38,274	\$ 50,597	\$ (12,324)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.75

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: February 28, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	106,184.36	39,052.00	0.00	64,801.00	80,435.36	
Dollars	\$ 864,848.33	\$ 342,461.74	\$ -	\$ 538,650.16	\$ 668,659.91	
\$/Ton	\$ 8.14	\$ 8.77		\$8.31	\$8.31	
At E.W. Brown:						
Tons	3,241.99	4,931.52	0.00	5,482.00	2,691.51	
Dollars	\$ 50,693.13	\$ 59,622.07	\$ -	\$ 73,988.77	\$ 36,326.43	
\$/Ton	\$ 15.64	\$ 12.09		\$13.50	\$ 13.50	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 628,513.00

**KENTUCKY UTILITIES 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	Unamortized ITC as of 2/28/2011	Deferred Tax Balance as of 2/28/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 72,084.67	\$ -	\$ 762,961	\$ -	\$ 76,900	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,639,773.38	\$ 19,327,293	\$ 52,342,748	\$ -	\$ 2,676,293	\$ 75,401	\$ 6,550
Project 21 - PGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 78,201,665.26	\$ 53,586,818	\$ 998,785,060	\$ -	\$ 55,566,422	\$ 3,153,044	\$ 125,433
Subtotal	\$ 1,058,890,181	\$ 79,913,523	\$ 72,914,111	\$ 1,051,890,769	\$ -	\$ 58,319,614	\$ 3,230,387	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 1,054,182,796	\$ 77,687,932	\$ 72,914,111	\$ 1,049,408,976	\$ -	\$ 57,478,767	\$ 3,221,657	\$ 131,769

**KENTUCKY UTILITIES 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	Unamortized ITC as of 2/28/2011	Deferred Tax Balance as of 2/28/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 183,727,239	\$ 966,832.46	\$ 50,211	\$ 182,810,618	\$ 27,465,981	\$ 613,992	\$ 644,555	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 599,584.85	\$ 203,561	\$ 12,355,248	\$ -	\$ 835,759	\$ 29,598	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 109,759.11	\$ -	\$ 922,194	\$ -	\$ 58,301	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 81,200.69	\$ -	\$ 1,267,964	\$ -	\$ 42,353	\$ 3,376	\$ 159
Subtotal	\$ 198,859,629	\$ 1,757,377	\$ 253,772	\$ 197,356,024	\$ 27,465,981	\$ 1,550,404	\$ 680,953	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 198,410,783	\$ 1,357,432	\$ 253,772	\$ 197,307,123	\$ 27,465,981	\$ 1,536,408	\$ 679,819	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 26,833,049	\$ 26,833,049	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 2,416,639	\$ 2,416,639	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 14,310,458	\$ 14,310,458	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 5,625,803	\$ 5,625,803	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,231,048	\$ 1,231,048	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 287,852	\$ 287,852	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 50,704,850	\$ 50,704,850	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 50,704,850	\$ 50,704,850	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,252,593,579	\$ 79,045,364	\$ 123,872,733	\$ 1,297,420,949	\$ 27,465,981	\$ 59,015,174	\$ 3,901,476	\$ 162,365

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: February 28, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	162,079	13,742	10,550	\$ 536,861.63	\$ -	\$ 12,155.87	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	157,520	7,013	2,454	0	0	162,079	
Dollars	\$ 545,252.69	\$ 103.42	\$ 8,494.48	\$ -	\$ -	\$ 536,861.63	
\$/Allowance	\$ 3.46	\$ 0.01	\$ 3.46	\$ -	\$ -	\$ 3.31	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	157,520	-	2,454	-	-	162,079	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 545,252.69	\$ -	\$ 8,494.48	\$ -	\$ -	\$ 536,861.63	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	7,013					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 103.42					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,550	0	0	0	0	10,550	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,314	-	-	-	-	10,314	
Dollars	\$ 11,883.95	\$ -	\$ -	\$ -	\$ -	\$ 11,883.95	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	236	-	-	-	-	236	
Dollars	\$ 271.92	\$ -	\$ -	\$ -	\$ -	\$ 271.92	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	14,872	0	1,126	4	0	13,742	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	14,576	-	1,126	-	-	13,450	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	296	0	0	4	0	292	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,030,809
10th Previous Month	912,574
9th Previous Month	1,188,779
8th Previous Month	1,312,575
7th Previous Month	1,402,080
6th Previous Month	1,671,859
5th Previous Month	1,317,383
4th Previous Month	897,799
3rd Previous Month	1,040,769
2nd Previous Month	1,673,161
Previous Month	1,627,292
Current Month	1,839,149
Total 12 Month O&M	\$ 15,914,228

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,914,228
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,989,279

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 28, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	73,988.77	397,705.38	-	-	-	471,694.15
512055 - ECR Scrubber Maintenance	32,047.56	204,802.63	-	-	-	236,850.19
Total 2005 Plan O&M Expenses	106,036.33	602,508.01	-	-	-	708,544.34
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	16,869.53	-	-	6,543.55	23,413.08
506152 - ECR Sorbent Reactant - Reagent Only	-	857,594.76	-	-	34,687.63	892,282.39
512152 - ECR Sorbent Injection Maintenance	-	1,557.22	-	-	-	1,557.22
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables	-	-	-	-	77,174.57	77,174.57
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	1,711.26	1,711.26
512151 - ECR NOx Maintenance	-	-	-	-	744.43	744.43
502056 - ECR Scrubber Operations	-	-	-	-	51,198.49	51,198.49
512055 - ECR Scrubber Maintenance	-	-	-	-	22,043.98	22,043.98
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	55,817	55,817.49
512051 - ECR Precipitator Maintenance	-	-	-	-	4,661.80	4,661.80
Total 2006 Plan O&M Expenses	-	876,021.51	-	-	254,583.20	1,130,604.71
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502012 - ECR Landfill Operations	-	-	-	-	-	-
512105 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	-	0.00	-	-	-	0.00
Current Month O&M Expense for All Plans	106,036.33	1,478,529.52	-	-	254,583.20	1,839,149.05

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2011

	Ghent	Trimble County
On-Site CCP Disposal O&M Expense		
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.

ES FORM 2.60

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

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

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: February 28, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Mar-10	\$ 99,982,694	\$ 3,785,949	\$ 1,520,431	\$ 11,257,977	\$ 116,547,052	\$ 105,289,075	\$ 12,638,911	\$ 129,185,963	\$ 117,927,986
Apr-10	88,966,697	(74,718)	1,213,575	(2,363,973)	87,741,581	90,105,554	13,019,730	100,761,312	103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,635	135,469,426
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 107,016,860			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.06%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ (3,760.18)	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 112,247,614	\$ 112,247,614
Fuel Adjustment Clause	\$ 2,435,023	\$ 2,435,023
DSM	\$ 1,906,011	\$ 1,906,011
Environmental Surcharge		\$ 3,026,209
CSR Credits		\$ (926,797)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 116,588,648	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 520	\$ 520
Virginia Retail	\$ 7,125,286	\$ 7,125,286
Wholesale	\$ 7,853,614	\$ 7,853,614
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,901,358	\$ 3,901,358
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,880,778	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 135,469,426	
Reconciling Revenues		
Brokered	\$ (3,760)	\$ (3,760)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (11,773,000)
Provision for Refund		\$ -
Miscellaneous		\$ 1,287,801
Total Company Revenues per Income Statement =		\$ 127,079,879



a PPL company

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

Kentucky Utilities 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 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00241, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy'. The signature is stylized and includes a large, circular flourish at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

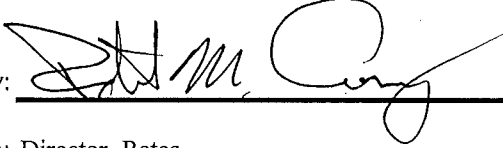
**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**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 = \$ 2,886,173

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.70%

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

Submitted by: 

Title: Director, Rates

Date Submitted: April 19, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1) RB		= \$	1,214,135,093
(2) RB / 12		= \$	101,177,924
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$		=	11.04%
(4) OE		= \$	5,696,454
(5) BAS		= \$	(295,642)
(6) BR		= \$	-
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$	17,162,138

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.01%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,761,155
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,879,425
(13)	Revenue Collected through Base Rates	= \$	10,993,252
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,886,173
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,050,264
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	2.70%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,593,579	
Eligible Pollution CWIP Excluding AFUDC	131,087,969	
Subtotal		\$ 1,383,681,548
Additions:		
Inventory - Limestone	\$ 771,146	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	539,862	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	470,447	
Cash Working Capital Allowance	2,064,001	
Subtotal		3,229,121
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	82,956,704	
Pollution Control Deferred Income Taxes	62,352,891	
Pollution Control Deferred Investment Tax Credit	27,465,981	
Subtotal		172,775,576
Environmental Compliance Rate Base		\$ 1,214,135,093

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,628,590
Monthly Depreciation & Amortization Expense	3,901,476
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	8,885
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,023
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,696,454

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 3,293	\$ 286,166	\$ (282,873)
Scrubber By-Products Sales	37,829	50,597	(12,769)
Total Proceeds from Sales	\$ 41,122	\$ 336,763	\$ (295,642)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.58

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: March 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	80,435.36	51,818.00	0.00	45,605.00	86,648.36	
Dollars	\$ 668,659.91	\$ 438,024.78	\$ -	\$ 382,257.68	\$ 724,427.01	
\$/Ton	\$ 8.31	\$ 8.45		\$8.38	\$8.36	
At E.W. Brown:						
Tons	2,691.51	12,756.40	0.00	11,524.00	3,923.91	
Dollars	\$ 36,326.43	\$ 147,599.81	\$ -	\$ 137,207.30	\$ 46,718.94	
\$/Ton	\$ 13.50	\$ 11.57		\$11.91	\$ 11.91	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 694,672.61

KENTUCKY UTILITIES 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	Unamortized ITC as of 3/31/2011	Deferred Tax Balance as of 3/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 74,026.15	\$ -	\$ 761,020	\$ -	\$ 78,471	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,715,174.58	\$ 19,459,047	\$ 52,399,101	\$ -	\$ 2,811,549	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 81,354,709.72	\$ 54,646,991	\$ 996,692,189	\$ -	\$ 58,479,865	\$ 3,153,044	\$ 125,433
Subtotal	\$ 1,058,890,181	\$ 83,143,910	\$ 74,106,039	\$ 1,049,852,309	\$ -	\$ 61,369,884	\$ 3,230,387	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 1,054,182,796	\$ 80,918,319	\$ 74,106,039	\$ 1,047,370,516	\$ -	\$ 60,529,037	\$ 3,221,657	\$ 131,769

KENTUCKY UTILITIES 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	Unamortized ITC as of 3/31/2011	Deferred Tax Balance as of 3/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 183,727,239	\$ 1,611,387.43	\$ 289,341	\$ 182,405,193	\$ 27,465,981	\$ 858,305	\$ 644,555	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,751,272	\$ 629,183.10	\$ 203,561	\$ 12,325,650	\$ -	\$ 875,461	\$ 29,598	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 113,183.00	\$ -	\$ 918,770	\$ -	\$ 60,013	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 84,576.67	\$ -	\$ 1,264,589	\$ -	\$ 44,072	\$ 3,376	\$ 159
Subtotal	\$ 198,859,629	\$ 2,438,330	\$ 492,902	\$ 196,914,201	\$ 27,465,981	\$ 1,837,851	\$ 680,953	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 198,410,783	\$ 2,038,385	\$ 492,902	\$ 196,865,300	\$ 27,465,981	\$ 1,823,854	\$ 679,819	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 29,662,853	\$ 29,662,853	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 2,980,988	\$ 2,980,988	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 16,210,828	\$ 16,210,828	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 5,912,167	\$ 5,912,167	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,389,195	\$ 1,389,195	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 332,997	\$ 332,997	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 56,489,028	\$ 56,489,028	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 56,489,028	\$ 56,489,028	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,252,593,579	\$ 82,956,704	\$ 131,087,969	\$ 1,300,724,844	\$ 27,465,981	\$ 62,352,891	\$ 3,901,476	\$ 162,365

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: March 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	159,397	12,365	10,550	\$ 527,977.93	\$ -	\$ 12,155.87	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	162,079	0	2,682	0	0	159,397	
Dollars	\$ 536,861.63	\$ -	\$ 8,883.70	\$ -	\$ -	\$ 527,977.93	
\$/Allowance	\$ 3.31	\$ -	\$ 3.31	\$ -	\$ -	\$ 3.31	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	162,079	-	2,682	-	-	159,397	
Dollars	\$ 536,861.63	\$ -	\$ 8,883.70	\$ -	\$ -	\$ 527,977.93	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,550	0	0	0	0	10,550	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,314	-	-	-	-	10,314	
Dollars	\$ 11,883.95	\$ -	\$ -	\$ -	\$ -	\$ 11,883.95	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	236	-	-	-	-	236	
Dollars	\$ 271.92	\$ -	\$ -	\$ -	\$ -	\$ 271.92	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	13,742	0	1,377	0	0	12,365	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,450	-	1,377	-	-	12,073	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	292	0	0	0	0	292	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 912,574
10th Previous Month	1,188,779
9th Previous Month	1,312,575
8th Previous Month	1,402,080
7th Previous Month	1,671,859
6th Previous Month	1,317,383
5th Previous Month	897,799
4th Previous Month	1,040,769
3rd Previous Month	1,673,161
2nd Previous Month	1,627,292
Previous Month	1,839,149
Current Month	1,628,590
Total 12 Month O&M	\$ 16,512,009

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 16,512,009
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,064,001

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	137,207.30	246,028.69	-	-	-	383,235.99
512055 - ECR Scrubber Maintenance	101,187.04	221,923.48	-	-	-	323,110.52
Total 2005 Plan O&M Expenses	238,394.34	467,952.17	-	-	-	706,346.51
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	20,479.63	-	-	7,450.30	27,929.93
506152 - ECR Sorbent Reactant - Reagent Only	-	671,797.61	-	-	27,887.92	699,685.53
512152 - ECR Sorbent Injection Maintenance	-	53,412.94	-	-	-	53,412.94
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables	-	-	-	-	56,451.26	56,451.26
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	1,503.51	1,503.51
512151 - ECR NOx Maintenance	-	-	-	-	649.13	649.13
502056 - ECR Scrubber Operations	-	-	-	-	37,300.10	37,300.10
512055 - ECR Scrubber Maintenance	-	-	-	-	18,626.48	18,626.48
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	19,610.83	19,610.83
512051 - ECR Precipitator Maintenance	-	-	-	-	7,074.14	7,074.14
Total 2006 Plan O&M Expenses	-	745,690.18	-	-	176,553.67	922,243.85
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502012 - ECR Landfill Operations	-	-	-	-	-	-
512105 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	-	0.00	-	-	-	0.00
Current Month O&M Expense for All Plans	238,394.34	1,213,642.35	-	-	176,553.67	1,628,590.36

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2011

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

**KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: March 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: March 31, 2011

(1) Month	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	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)
Apr-10	\$ 88,966,697	\$ (74,718)	\$ 1,213,575	\$ (2,363,973)	\$ 87,741,581	\$ 90,105,554	\$ 13,019,730	\$ 100,761,312	\$ 103,125,285
May-10	82,226,032	149,083	1,026,376	1,775,548	85,177,039	83,401,492	12,813,334	97,990,373	96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,266	122,877,466
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 107,050,264			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.01%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ 973.62	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 104,076,223	\$ 104,076,223
Fuel Adjustment Clause	\$ 45,175	\$ 45,175
DSM	\$ 1,568,534	\$ 1,568,534
Environmental Surcharge		\$ 169,800
CSR Credits		\$ (738,920)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 105,689,933	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 243	\$ 243
Virginia Retail	\$ 6,442,790	\$ 6,442,790
Wholesale	\$ 7,759,296	\$ 7,759,296
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,985,203	\$ 2,985,203
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,187,533	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 122,877,465	
Reconciling Revenues		
Brokered	\$ 974	\$ 974
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (1,392,000)
Provision for Refund		\$ -
Miscellaneous		\$ 4,195,369
Total Company Revenues per Income Statement =		\$ 125,112,688



a PPL company

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

May 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00241, KU 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,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a large, stylized circular flourish.

Robert M. Conroy

Enclosures

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a large, stylized circular flourish.

MAY 20 2011

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

KENTUCKY UTILITIES 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 = \$ 3,723,617

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.46%

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

Submitted by:



Title: Director, Rates

Date Submitted: May 20, 2011

KENTUCKY UTILITIES 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

		Environmental Compliance Plans	
(1)	RB	= \$	1,212,576,264
(2)	RB / 12	= \$	101,048,022
(3)	(ROR + (ROR - DR) (TR / (1 - TR)))	=	11.04%
(4)	OE	= \$	5,661,285
(5)	BAS	= \$	37,954
(6)	BR	= \$	-
(7)	E(m)	= \$	16,779,033
			(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.31%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,649,774
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,768,044
(13)	Revenue Collected through Base Rates	= \$	10,044,427
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,723,617
(15)	Jurisdictional R(m) - Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,531,674
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.46%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	136,368,498	
Subtotal		\$ 1,389,165,639
Additions:		
Inventory - Limestone	\$ 781,592	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	530,627	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	461,212	
Cash Working Capital Allowance	2,149,034	
Subtotal		3,315,365
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	86,868,281	
Pollution Control Deferred Income Taxes	65,694,618	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		179,904,740
Environmental Compliance Rate Base		\$ 1,212,576,264

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,592,835
Monthly Depreciation & Amortization Expense	3,901,712
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	9,235
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	4,373
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,661,285

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	88,551	50,597	37,954
Total Proceeds from Sales	\$ 88,551	\$ 50,597	\$ 37,954

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.01

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: April 30, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	86,648.36	36,519.00	0.00	40,340.00	82,827.36	
Dollars	\$ 724,427.01	\$ 319,257.62	\$ -	\$ 341,917.59	\$ 701,767.04	
\$/Ton	\$ 8.36	\$ 8.74		\$8.48	\$8.47	
At E.W. Brown:						
Tons	3,923.91	5,107.88	0.00	2,261.00	6,770.79	
Dollars	\$ 46,718.94	\$ 59,762.19	\$ -	\$ 26,656.27	\$ 79,824.86	
\$/Ton	\$ 11.91	\$ 11.70		\$11.79	\$ 11.79	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 705,118.56

KENTUCKY UTILITIES 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	Unamortized ITC as of 4/30/2011	Deferred Tax Balance as of 4/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 75,967.63	\$ -	\$ 759,078	\$ -	\$ 80,041	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,790,575.78	\$ 19,489,513	\$ 52,354,166	\$ -	\$ 2,946,805	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 84,507,754.18	\$ 55,605,944	\$ 994,498,096	\$ -	\$ 61,393,308	\$ 3,153,044	\$ 125,433
Subtotal	\$ 1,058,890,181	\$ 86,374,298	\$ 75,095,457	\$ 1,047,611,341	\$ -	\$ 64,420,154	\$ 3,230,387	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan:	\$ 1,054,182,796	\$ 84,148,706	\$ 75,095,457	\$ 1,045,129,547	\$ -	\$ 63,579,307	\$ 3,221,657	\$ 131,769

KENTUCKY UTILITIES 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	Unamortized ITC as of 4/30/2011	Deferred Tax Balance as of 4/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 183,727,239	\$ 2,255,942.40	\$ 376,472	\$ 181,847,769	\$ 27,341,841	\$ 1,102,618	\$ 644,555	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 659,017.99	\$ -	\$ 12,295,815	\$ -	\$ 919,174	\$ 29,835	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 116,606.89	\$ -	\$ 915,346	\$ -	\$ 61,724	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 87,952.65	\$ -	\$ 1,261,213	\$ -	\$ 45,791	\$ 3,376	\$ 159
Subtotal	\$ 199,063,191	\$ 3,119,520	\$ 376,472	\$ 196,320,143	\$ 27,341,841	\$ 2,129,308	\$ 681,190	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 198,614,345	\$ 2,719,575	\$ 376,472	\$ 196,271,242	\$ 27,341,841	\$ 2,115,311	\$ 680,056	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 31,555,987	\$ 31,555,987	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 3,076,497	\$ 3,076,497	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 18,241,340	\$ 18,241,340	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 6,214,068	\$ 6,214,068	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,456,308	\$ 1,456,308	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 352,370	\$ 352,370	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 60,896,569	\$ 60,896,569	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 60,896,569	\$ 60,896,569	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,252,797,141	\$ 86,868,281	\$ 136,368,498	\$ 1,302,297,358	\$ 27,341,841	\$ 65,694,618	\$ 3,901,712	\$ 162,365

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: April 30, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	156,609	11,140	10,550	\$ 518,743.12	\$ -	\$ 12,155.87	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	159,397	0	2,788	0	0	156,609	
Dollars	\$ 527,977.93	\$ -	\$ 9,234.81	\$ -	\$ -	\$ 518,743.12	
\$/Allowance	\$ 3.31	\$ -	\$ 3.31	\$ -	\$ -	\$ 3.31	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	159,397	-	2,788	-	-	156,609	
Dollars	\$ 527,977.93	\$ -	\$ 9,234.81	\$ -	\$ -	\$ 518,743.12	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES 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 EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,550	0	0	0	0	10,550	
Dollars	\$ 12,155.87	\$ -	\$ -	\$ -	\$ -	\$ 12,155.87	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,314	-	-	-	-	10,314	
Dollars	\$ 11,883.95	\$ -	\$ -	\$ -	\$ -	\$ 11,883.95	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	236	-	-	-	-	236	
Dollars	\$ 271.92	\$ -	\$ -	\$ -	\$ -	\$ 271.92	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,365	0	1,021	0	204	11,140	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,073	-	1,021	-	204	10,848	Sales to OMU
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	292	0	0	0	0	292	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,188,779
10th Previous Month	1,312,575
9th Previous Month	1,402,080
8th Previous Month	1,671,859
7th Previous Month	1,317,383
6th Previous Month	897,799
5th Previous Month	1,040,769
4th Previous Month	1,673,161
3rd Previous Month	1,627,292
2nd Previous Month	1,839,149
Previous Month	1,628,590
Current Month	1,592,835
Total 12 Month O&M	\$ 17,192,271

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 17,192,271
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,149,034

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	26,656.27	232,911.91	-	-	-	259,568.18
512055 - ECR Scrubber Maintenance	127,257.16	508,179.13	-	-	-	635,436.29
Total 2005 Plan O&M Expenses	153,913.43	741,091.04	-	-	-	895,004.47
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	20,547.54	-	-	5,450.20	25,997.74
506152 - ECR Sorbent Reactant - Reagent Only	-	629,246.93	-	-	1,786.94	631,033.87
512152 - ECR Sorbent Injection Maintenance	-	4,552.96	-	-	-	4,552.96
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables	-	-	-	-	3,151.81	3,151.81
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	2,464.41	2,464.41
512151 - ECR NOx Maintenance	-	-	-	-	703.84	703.84
502056 - ECR Scrubber Operations	-	-	-	-	0.00	0.00
512055 - ECR Scrubber Maintenance	-	-	-	-	27,493.92	27,493.92
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	(4,277.92)	(4,277.92)
512051 - ECR Precipitator Maintenance	-	-	-	-	6,709.68	6,709.68
Total 2006 Plan O&M Expenses	-	654,347.43	-	-	43,482.88	697,830.31
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502012 - ECR Landfill Operations	-	-	-	-	-	-
512105 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	-	0.00	-	-	-	0.00
Current Month O&M Expense for All Plans	153,913.43	1,395,438.47	-	-	43,482.88	1,592,834.78

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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-10	\$ 82,226,032	\$ 149,083	\$ 1,026,376	\$ 1,775,548	\$ 85,177,039	\$ 83,401,492	\$ 12,813,334	\$ 97,990,373	\$ 96,214,825
Jun-10	97,262,931	(1,166,523)	1,450,927	8,898,569	106,445,904	97,547,335	15,690,999	122,136,902	113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,474	13,938,469	112,181,428	109,820,943
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 107,531,674			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									87.31%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	15.29	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 94,847,487	\$ 94,847,487
Fuel Adjustment Clause	\$ (228,729)	\$ (228,729)
DSM	\$ 1,263,716	\$ 1,263,716
Environmental Surcharge		\$ 2,360,485
CSR Credits		\$ (924,985)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 95,882,475	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 238	\$ 238
Virginia Retail	\$ 5,739,807	\$ 5,739,807
Wholesale	\$ 7,248,820	\$ 7,248,820
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 949,605	\$ 949,605
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,938,469	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 109,820,943	
Reconciling Revenues		
Brokered	\$ 15	\$ 15
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (8,170,000)
Provision for Refund		\$ -
Miscellaneous		\$ 4,226,465
Total Company Revenues per Income Statement =		\$ 107,312,924



a PPL company

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

June 17, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a white background.

Robert M. Conroy

Enclosures

RECEIVED

JUN 17 2011

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

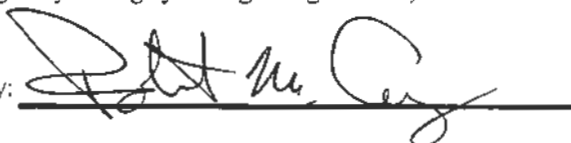
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 3,820,591

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.53%

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

Submitted by:



Title: Director, Rates

Date Submitted: June 17, 2011

**KENTUCKY UTILITIES 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

		Environmental Compliance Plans
(1) RB	= \$	1,211,354,448
(2) RB / 12	= \$	100,946,204
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	11.04%
(4) OE	= \$	5,857,242
(5) BAS	= \$	(8,495)
(6) BR	= \$	-
(7) E(m)	= \$	17,010,198
		(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	84.19%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,320,886
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,439,156
(13) Revenue Collected through Base Rates	= \$	9,618,565
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,820,591
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,246,609
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	3.53%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,252,797,141	
Eligible Pollution CWIP Excluding AFUDC	142,424,012	
Subtotal		\$ 1,395,221,153
Additions:		
Inventory - Limestone	\$ 689,930	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	523,248	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	453,833	
Cash Working Capital Allowance	2,224,234	
Subtotal		3,291,524
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	90,780,094	
Pollution Control Deferred Income Taxes	69,036,294	
Pollution Control Deferred Investment Tax Credit	27,341,841	
Subtotal		187,158,229
Environmental Compliance Rate Base		\$ 1,211,354,448

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,790,381
Monthly Depreciation & Amortization Expense	3,901,949
Monthly Taxes Other Than Income Taxes	162,365
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,409
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,547
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 5,857,242

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	42,102	50,597	(8,495)
Total Proceeds from Sales	\$ 42,102	\$ 50,597	\$ (8,495)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.32

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: May 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	82,827.36	29,368.00	0.00	39,617.00	72,578.36	
Dollars	\$ 701,767.04	\$ 257,337.12	\$ -	\$ 340,051.32	\$ 619,052.84	
\$/Ton	\$ 8.47	\$ 8.76		\$8.58	\$8.53	
At E.W. Brown:						
Tons	6,770.79	8,541.64	0.00	9,275.00	6,037.43	
Dollars	\$ 79,824.86	\$ 99,937.21	\$ -	\$ 108,884.95	\$ 70,877.12	
\$/Ton	\$ 11.79	\$ 11.70		\$11.74	\$ 11.74	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 613,456.62

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2011

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 5/31/2011	(7) Deferred Tax Balance as of 5/31/2011	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)-(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 77,909.11	\$ -	\$ 757,137	\$ -	\$ 81,612	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,865,976.98	\$ 19,484,822	\$ 52,274,074	\$ -	\$ 3,082,061	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,023,399,907	\$ 87,660,798.64	\$ 55,760,460	\$ 991,499,568	\$ -	\$ 64,306,751	\$ 3,153,044	\$ 125,433
Subtotal	\$ 1,058,890,181	\$ 89,604,685	\$ 75,245,282	\$ 1,044,530,779	\$ -	\$ 67,470,424	\$ 3,230,387	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,707,385)	\$ (2,225,592)	\$ -	\$ (2,481,793)	\$ -	\$ (840,847)	\$ (8,731)	\$ (310)
Net Total - 2005 Plan	\$ 1,054,182,796	\$ 87,379,093	\$ 75,245,282	\$ 1,042,048,985	\$ -	\$ 66,629,576	\$ 3,221,657	\$ 131,769

KENTUCKY UTILITIES 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	Unamortized ITC as of 5/31/2011	Deferred Tax Balance as of 5/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 183,727,239	\$ 2,900,497.37	\$ 2,244,677	\$ 183,071,419	\$ 27,341,841	\$ 1,346,931	\$ 644,555	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 689,089.52	\$ -	\$ 12,265,744	\$ -	\$ 462,837	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 129,030.78	\$ -	\$ 911,922	\$ -	\$ 63,436	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 91,328.63	\$ -	\$ 1,257,837	\$ -	\$ 47,510	\$ 3,376	\$ 159
Subtotal	\$ 199,063,191	\$ 3,800,946	\$ 2,244,677	\$ 197,506,922	\$ 27,341,841	\$ 2,420,715	\$ 681,426	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 198,614,345	\$ 3,401,001	\$ 2,244,677	\$ 197,458,021	\$ 27,341,841	\$ 2,406,718	\$ 680,292	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 33,373,888	\$ 33,373,888	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 4,382,006	\$ 4,382,006	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 18,807,313	\$ 18,807,313	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 6,479,657	\$ 6,479,657	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,517,514	\$ 1,517,514	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 373,673	\$ 373,673	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 64,934,052	\$ 64,934,052	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan	\$ -	\$ -	\$ 64,934,052	\$ 64,934,052	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,252,797,141	\$ 90,780,094	\$ 142,424,012	\$ 1,304,441,058	\$ 27,341,841	\$ 69,036,294	\$ 3,901,949	\$ 162,365

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: May 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	156,769	9,439	9,407	\$ 512,677.89	\$ -	\$ 10,838.89	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,609	2,000	1,840	0	0	156,769	
Dollars	\$ 518,743.12	\$ 29.49	\$ 6,094.72	\$ -	\$ -	\$ 512,677.89	
\$/Allowance	\$ 3.31	\$ 0.01	\$ 3.31	\$ -	\$ -	\$ 3.27	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,609	-	1,840	-	-	156,769	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 518,743.12	\$ -	\$ 6,094.72	\$ -	\$ -	\$ 512,677.89	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	2,000					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 29.49					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of May 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,550	0	1,140	3	0	9,407	
Dollars	\$ 12,155.87	\$ -	\$ 1,313.52	\$ 3.46	\$ -	\$ 10,838.89	
\$/Allowance	\$ 1.15	\$ -	\$ 1.15	\$ 1.15	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,314	-	1,140	-	-	9,174	
Dollars	\$ 11,883.95	\$ -	\$ 1,313.52	\$ -	\$ -	\$ 10,570.43	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	236	-	-	3	-	233	
Dollars	\$ 271.92	\$ -	\$ -	\$ 3.46	\$ -	\$ 268.46	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,140	(407)	1,140	3	151	9,439	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,848	(399)	1,140	-	151	9,158	Sale to LG&E (151); true-up with EPA (-399)
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	292	(8)	0	3	0	281	True-up with EPA (-8)
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,312,575
10th Previous Month	1,402,080
9th Previous Month	1,671,859
8th Previous Month	1,317,383
7th Previous Month	897,799
6th Previous Month	1,040,769
5th Previous Month	1,673,161
4th Previous Month	1,627,292
3rd Previous Month	1,839,149
2nd Previous Month	1,628,590
Previous Month	1,592,835
Current Month	1,790,381
Total 12 Month O&M	\$ 17,793,872

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 17,793,872
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,224,234

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	108,884.95	260,523.84	-	-	-	369,408.79
512055 - ECR Scrubber Maintenance	40,755.59	257,941.99	-	-	-	298,697.58
Total 2005 Plan O&M Expenses	149,640.54	518,465.83	-	-	-	668,106.37
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	17,487.00	-	-	6,894.70	24,381.70
506152 - ECR Sorbent Reactant - Reagent Only	-	754,164.01	-	-	49,137.73	803,301.74
512152 - ECR Sorbent Injection Maintenance	-	9,344.94	-	-	-	9,344.94
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables	-	-	-	-	68,741.44	68,741.44
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	2,572.45	2,572.45
512151 - ECR NOx Maintenance	-	-	-	-	954.60	954.60
502056 - ECR Scrubber Operations	-	-	-	-	87,828.43	87,828.43
512055 - ECR Scrubber Maintenance	-	-	-	-	25,070.39	25,070.39
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	93,129.75	93,129.75
512051 - ECR Precipitator Maintenance	-	-	-	-	6,949.39	6,949.39
Total 2006 Plan O&M Expenses	-	780,995.95	-	-	341,278.88	1,122,274.83
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502012 - ECR Landfill Operations	-	-	-	-	-	-
512105 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	-	0.00	-	-	-	0.00
Current Month O&M Expense for All Plans	149,640.54	1,299,461.78	-	-	341,278.88	1,790,381.20

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2011

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: May 31, 2011

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: May 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2011

(1)	Kentucky Jurisdictional Revenues						Non- Jurisdictional Revenues	Total Company Revenues	
	(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)
Jun-10	\$ 97,262,931	\$ (1,166,523)	\$ 1,450,927	\$ 8,898,569	\$ 106,445,904	\$ 97,547,335	\$ 15,690,999	\$ 122,136,902	\$ 113,238,333
Jul-10	106,950,966	2,788,124	1,752,947	7,329,791	118,821,827	111,492,037	18,062,588	136,884,416	129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,635	109,257,902
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 108,246,609			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									84.19%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$	(105,298.01)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 91,635,718	\$ 91,635,718
Fuel Adjustment Clause	\$ (742,243)	\$ (742,243)
DSM	\$ 1,087,228	\$ 1,087,228
Environmental Surcharge		\$ 2,471,733
CSR Credits		\$ (950,559)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 91,980,703	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 210	\$ 210
Virginia Retail	\$ 5,182,681	\$ 5,182,681
Wholesale	\$ 8,739,309	\$ 8,739,309
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,354,999	\$ 3,354,999
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,277,199	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 109,257,902	
Reconciling Revenues		
Brokered	\$ (105,298)	\$ (105,298)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 9,131,000
Provision for Refund		\$ -
Miscellaneous		\$ 5,664,194
Total Company Revenues per Income Statement =		\$ 125,468,971



a PPL company

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

Kentucky Utilities 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

July 19, 2011

RECEIVED

JUL 19 2011

RE: Monthly Environmental Surcharge Report

PUBLIC SERVICE
COMMISSION

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy'. The signature is fluid and cursive, with a large, sweeping flourish at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

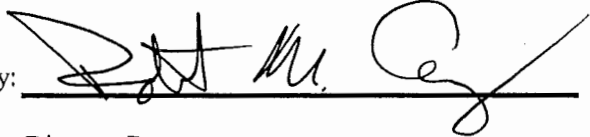
KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

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 = \$ 2,683,040

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 2.46%

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

Submitted by: 

Title: Director, Rates

Date Submitted: July 19, 2011

KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB		= \$ 1,214,206,242
(2) RB / 12		= \$ 101,183,854
(3) (ROR + (ROR - DR) (TR / (1 - TR)))		= 11.04%
(4) OE		= \$ 6,093,956
(5) BAS		= \$ (9,720)
(6) BR		= \$ -
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$ 17,274,374

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	= 84.42%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$ 14,583,027
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	= (881,730)
(11)	Prior Period Adjustment (if necessary)	= -
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= 13,701,297
(13)	Revenue Collected through Base Rates	= \$ 11,018,257
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$ 2,683,040
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 109,115,040
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	= 2.46%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	140,939,582	
Subtotal		\$ 1,405,178,454
Additions:		
Inventory - Limestone	\$ 619,310	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	512,262	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	442,847	
Cash Working Capital Allowance	2,310,811	
Subtotal		3,296,495
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	94,683,811	
Pollution Control Deferred Income Taxes	72,367,195	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		194,268,707
Environmental Compliance Rate Base		\$ 1,214,206,242

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,005,186
Monthly Depreciation & Amortization Expense	3,920,254
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,026
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,164
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 6,093,956

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	40,878	50,597	(9,720)
Total Proceeds from Sales	\$ 40,878	\$ 50,597	\$ (9,720)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 2.32

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: June 30, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	72,578.36	49,665.00	(7,098.00)	45,397.00	69,748.36	Adjustment due to limestone removed from inventory to perform required drainage work on Ghent gypsum stack
Dollars	\$ 619,052.84	\$ 429,710.01	\$ (60,900.84)	\$ 391,053.10	\$ 596,808.91	
\$/Ton	\$ 8.53	\$ 8.65		\$8.61	\$8.56	
At E.W. Brown:						
Tons	6,037.43	5,042.20	0.00	9,160.00	1,919.63	
Dollars	\$ 70,877.12	\$ 58,993.74	\$ -	\$ 107,369.76	\$ 22,501.10	
\$/Ton	\$ 11.74	\$ 11.70		\$11.72	\$ 11.72	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 542,836.67

KENTUCKY UTILITIES 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	Unamortized ITC as of 6/30/2011	Deferred Tax Balance as of 6/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 79,850.59	\$ -	\$ 755,195	\$ -	\$ 83,183	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 1,941,378.18	\$ 15,127,571	\$ 47,841,422	\$ -	\$ 3,217,318	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 90,829,415.27	\$ 45,667,524	\$ 988,330,200	\$ -	\$ 67,211,189	\$ 3,168,617	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 92,850,644	\$ 60,795,095	\$ 1,034,926,817	\$ -	\$ 70,511,689	\$ 3,245,959	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 90,598,574	\$ 60,795,095	\$ 1,034,436,330	\$ -	\$ 69,667,460	\$ 3,237,152	\$ 131,756

KENTUCKY UTILITIES 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	Unamortized ITC as of 6/30/2011	Deferred Tax Balance as of 6/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 3,547,862.18	\$ 1,838,630	\$ 183,402,727	\$ 27,217,701	\$ 1,593,037	\$ 647,365	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 719,161.05	\$ -	\$ 12,235,672	\$ -	\$ 1,006,500	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 123,454.67	\$ -	\$ 908,498	\$ -	\$ 65,148	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 94,704.61	\$ -	\$ 1,254,461	\$ -	\$ 49,048	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 4,485,183	\$ 1,838,630	\$ 197,801,358	\$ 27,217,701	\$ 2,713,732	\$ 684,236	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 4,085,237	\$ 1,838,630	\$ 197,752,457	\$ 27,217,701	\$ 2,699,735	\$ 683,102	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 38,083,719	\$ 38,083,719	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 9,857,411	\$ 9,857,411	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 21,445,174	\$ 21,445,174	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 6,891,606	\$ 6,891,606	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,592,760	\$ 1,592,760	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 435,185	\$ 435,185	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 78,305,856	\$ 78,305,856	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 78,305,856	\$ 78,305,856	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 94,683,811	\$ 140,939,582	\$ 1,310,494,643	\$ 27,217,701	\$ 72,367,195	\$ 3,920,254	\$ 162,352

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: June 30, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	156,421	8,064	8,032	\$ 503,270.80	\$ -	\$ 9,254.59	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,769	2,540	2,888	0	0	156,421	
Dollars	\$ 512,677.89	\$ 37.46	\$ 9,444.55	\$ -	\$ -	\$ 503,270.80	
\$/Allowance	\$ 3.27	\$ 0.01	\$ 3.27	\$ -	\$ -	\$ 3.22	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,769	-	2,888	-	-	156,421	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 512,677.89	\$ -	\$ 9,444.55	\$ -	\$ -	\$ 503,270.80	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	2,540					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 37.46					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of June 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,407	0	1,371	4	0	8,032	
Dollars	\$ 10,838.89	\$ -	\$ 1,579.69	\$ 4.61	\$ -	\$ 9,254.59	
\$/Allowance	\$ 1.15	\$ -	\$ 1.15	\$ 1.15	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,174	-	1,371	-	-	7,803	
Dollars	\$ 10,570.43	\$ -	\$ 1,579.69	\$ -	\$ -	\$ 8,990.74	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	233	-	-	4	-	229	
Dollars	\$ 268.46	\$ -	\$ -	\$ 4.61	\$ -	\$ 263.85	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,439	0	1,371	4	0	8,064	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,158	103	1,371	-	-	7,890	Transfer of 103 2010 vintage year allowances from Brown CT
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	to Brown Coal
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	281	(103)	0	4	0	174	Transfer of 103 2010 vintage year allowances from Brown CT
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	to Brown Coal
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,402,080
10th Previous Month	1,671,859
9th Previous Month	1,317,383
8th Previous Month	897,799
7th Previous Month	1,040,769
6th Previous Month	1,673,161
5th Previous Month	1,627,292
4th Previous Month	1,839,149
3rd Previous Month	1,628,590
2nd Previous Month	1,592,835
Previous Month	1,790,381
Current Month	2,005,186
Total 12 Month O&M	\$ 18,486,484

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 18,486,484
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,310,811

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: June 30, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	107,369.76	336,961.99				444,331.75
512055 - ECR Scrubber Maintenance	71,202.54	252,938.03				324,140.57
Total 2005 Plan O&M Expenses	178,572.30	589,900.02				768,472.32
2006 Plan						
506159 - ECR Sorbent Injection Operation		20,762.93			7,229.81	27,992.74
506152 - ECR Sorbent Reactant - Reagent Only		1,033,513.16			45,418.42	1,078,931.58
512152 - ECR Sorbent Injection Maintenance		4,771.61			81	4,852.13
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					95,027.09	95,027.09
506155 - ECR NOx Operation -- Labor and Other					2,165.04	2,165.04
512151 - ECR NOx Maintenance					-316.82	-316.82
502056 - ECR Scrubber Operations					83,498.59	83,498.59
512055 - ECR Scrubber Maintenance					32,990.44	32,990.44
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					(93,129.75)	(93,129.75)
512051 - ECR Precipitator Maintenance					4,702.36	4,702.36
Total 2006 Plan O&M Expenses	-	1,059,047.70	-	-	177,665.70	1,236,713.40
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)					-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	178,572.30	1,648,947.72	-	-	177,665.70	2,005,185.72

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: June 30, 2011

	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
On-Site CCP Disposal O&M Expense						
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ -	
2009 Plan Project 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2011

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)+(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)
Jul-10	\$ 106,950,966	\$ 2,788,124	\$ 1,752,947	\$ 7,329,791	\$ 118,821,827	\$ 111,492,037	\$ 18,062,588	\$ 136,884,416	\$ 129,554,625
Aug-10	114,196,065	9,264,416	1,540,726	5,630,958	130,632,165	125,001,207	17,551,825	148,183,991	142,553,033
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,901
Jun-11	106,315,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 109,115,040			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									84.42%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$		(130,207.18)

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,315,211	\$ 106,315,211
Fuel Adjustment Clause	\$ 381,783	\$ 381,783
DSM	\$ 1,271,511	\$ 1,271,511
Environmental Surcharge		\$ 3,699,167
CSR Credits		\$ (964,020)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 107,968,505	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 237	\$ 237
Virginia Retail	\$ 5,291,300	\$ 5,291,300
Wholesale	\$ 10,506,987	\$ 10,506,987
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 4,125,254	\$ 4,125,254
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 19,923,777	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 127,892,282	
Reconciling Revenues		
Brokered	\$ (130,207)	\$ (130,207)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 1,055,182
Provision for Refund		\$ -
Miscellaneous		\$ 1,473,348
Total Company Revenues per Income Statement =		\$ 133,025,752



a PPL company

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

Kentucky Utilities 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

August 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy'. The signature is fluid and cursive, with the first name 'Robert' and last name 'Conroy' being the most prominent parts.

Robert M. Conroy

Enclosures

RECEIVED

AUG 19 2011

PUBLIC SERVICE
COMMISSION

ES FORM 1.00

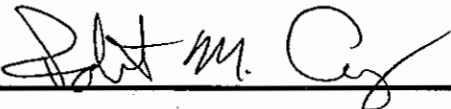
**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**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 = \$ 2,039,000

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 1.87%

Effective Date for Billing: September billing cycle beginning August 30, 2011

Submitted by:  _____

Title: Director, Rates

Date Submitted: August 19, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,212,691,706
(2) RB / 12	= \$	101,057,642
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4) OE	= \$	5,973,395
(5) BAS	= \$	(1,066)
(6) BR	= \$	-
(7) E(m)	= \$	17,131,224
		(2) x (3) + (4) - (5) + (6)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.70%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,681,459
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,730)
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	13,799,729
(13) Revenue Collected through Base Rates	= \$	11,760,729
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,039,000
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	109,303,925
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	1.87%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	146,734,588	
Subtotal		\$ 1,410,973,460
Additions:		
Inventory - Limestone	\$ 563,097	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	501,264	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	431,849	
Cash Working Capital Allowance	2,368,745	
Subtotal		3,287,217
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	98,633,052	
Pollution Control Deferred Income Taxes	75,718,218	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		201,568,971
Environmental Compliance Rate Base		\$ 1,212,691,706

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,865,556
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,050
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,188
Monthly Surcharge Consultant Fee	-
Total Pollution Control Operations Expense	\$ 5,973,395

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	49,531	50,597	(1,066)
Total Proceeds from Sales	\$ 49,531	\$ 50,597	\$ (1,066)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.78

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: July 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	69,748.36	39,281.00	0.00	47,416.00	61,613.36	
Dollars	\$ 596,808.91	\$ 357,811.63	\$ -	\$ 415,632.87	\$ 538,987.67	
\$/Ton	\$ 8.56	\$ 9.11		\$8.77	\$8.75	
At E.W. Brown:						
Tons	1,919.63	11,771.61	0.00	11,661.00	2,030.24	
Dollars	\$ 22,501.10	\$ 140,082.15	\$ -	\$ 138,474.20	\$ 24,109.05	
\$/Ton	\$ 11.72	\$ 11.90		\$11.87	\$ 11.87	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 486,623.38

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: July 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	Unamortized ITC as of 7/31/2011	Deferred Tax Balance as of 7/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 81,792.07	\$ -	\$ 753,254	\$ -	\$ 84,753	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,016,779.38	\$ 15,127,571	\$ 47,766,020	\$ -	\$ 3,352,574	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 94,014,267.19	\$ 45,789,399	\$ 985,267,222	\$ -	\$ 70,133,461	\$ 3,184,852	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 96,112,839	\$ 60,916,970	\$ 1,033,786,497	\$ -	\$ 73,570,788	\$ 3,262,195	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 93,860,769	\$ 60,916,970	\$ 1,031,296,010	\$ -	\$ 72,726,559	\$ 3,253,387	\$ 131,756

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense**

For the Month Ended: July 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	Unamortized ITC as of 7/31/2011	Deferred Tax Balance as of 7/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 4,198,036.82	\$ 2,169,746	\$ 183,083,668	\$ 27,217,701	\$ 1,838,050	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 749,232.58	\$ -	\$ 12,205,601	\$ -	\$ 1,050,162	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 126,878.56	\$ -	\$ 905,074	\$ -	\$ 66,859	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 98,080.59	\$ -	\$ 1,251,085	\$ -	\$ 50,585	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 5,172,229	\$ 2,169,746	\$ 197,445,428	\$ 27,217,701	\$ 3,005,657	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (15,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 4,772,283	\$ 2,169,746	\$ 197,396,527	\$ 27,217,701	\$ 2,991,660	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 41,175,555	\$ 41,175,555	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 10,787,319	\$ 10,787,319	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 22,440,941	\$ 22,440,941	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 7,085,401	\$ 7,085,401	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,670,832	\$ 1,670,832	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 487,823	\$ 487,823	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 83,647,871	\$ 83,647,871	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 83,647,871	\$ 83,647,871	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 98,633,052	\$ 146,734,588	\$ 1,312,340,408	\$ 27,217,701	\$ 75,718,218	\$ 3,939,299	\$ 162,352

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: July 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	157,006	6,601	6,569	\$ 493,944.20	\$ -	\$ 7,568.90	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,421	3,500	2,915	0	0	157,006	
Dollars	\$ 503,270.80	\$ 52.15	\$ 9,378.75	\$ -	\$ -	\$ 493,944.20	
\$/Allowance	\$ 3.22	\$ 0.01	\$ 3.22	\$ -	\$ -	\$ 3.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,421	-	2,915	-	-	157,006	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 503,270.80	\$ -	\$ 9,378.75	\$ -	\$ -	\$ 493,944.20	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	3,500					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 52.15					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of July 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,032	0	1,450	13	0	6,569	
Dollars	\$ 9,254.59	\$ -	\$ 1,670.71	\$ 14.98	\$ -	\$ 7,568.90	
\$/Allowance	\$ 1.15	\$ -	\$ 1.15	\$ 1.15	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,803	-	1,450	-	-	6,353	
Dollars	\$ 8,990.74	\$ -	\$ 1,670.71	\$ -	\$ -	\$ 7,320.03	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	229	-	-	13	-	216	
Dollars	\$ 263.85	\$ -	\$ -	\$ 14.98	\$ -	\$ 248.87	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES 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)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,064	0	1,450	13	0	6,601	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,890	-	1,450	-	-	6,440	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	174	0	0	13	0	161	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,671,859
10th Previous Month	1,317,383
9th Previous Month	897,799
8th Previous Month	1,040,769
7th Previous Month	1,673,161
6th Previous Month	1,627,292
5th Previous Month	1,839,149
4th Previous Month	1,628,590
3rd Previous Month	1,592,835
2nd Previous Month	1,790,381
Previous Month	2,005,186
Current Month	1,865,556
Total 12 Month O&M	\$ 18,949,960

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 18,949,960
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,368,745

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: July 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	138,474.20	267,647.22				406,121.42
512055 - ECR Scrubber Maintenance	59,420.32	175,055.17				234,475.49
Total 2005 Plan O&M Expenses	197,894.52	442,702.39				640,596.91
2006 Plan						
506159 - ECR Sorbent Injection Operation		18,350.97			7,297.90	25,648.87
506152 - ECR Sorbent Reactant - Reagent Only		905,092.96			52,055.08	955,148.04
512152 - ECR Sorbent Injection Maintenance		27,443.97			1,037	28,481.33
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					100,553.80	100,553.80
506155 - ECR NOx Operation -- Labor and Other					3,294.96	3,294.96
512151 - ECR NOx Maintenance					2,504.36	2,504.36
502056 - ECR Scrubber Operations					80,474.46	80,474.46
512055 - ECR Scrubber Maintenance					25,981.89	25,981.89
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					0.00	-
512051 - ECR Precipitator Maintenance					2,871.43	2,871.43
Total 2006 Plan O&M Expenses	-	948,887.90	-	-	276,071.24	1,224,959.14
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	197,894.52	1,391,390.29	-	-	276,071.24	1,865,356.05

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Euded: July 31, 2011

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: July 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Aug-10	\$ 114,196,065	\$ 9,264,416	\$ 1,540,726	\$ 5,630,958	\$ 130,632,165	\$ 125,001,207	\$ 17,551,825	\$ 148,183,991	\$ 142,553,035
Sep-10	115,252,388	5,976,449	1,340,408	4,465,805	127,035,049	122,569,244	15,383,156	142,418,204	137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,025	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,245)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,901
Jun-11	106,315,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Jul-11	110,242,427	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668	18,980,114	136,750,567	132,738,782
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 109,303,925			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									85.70%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	(47,421.18)	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 110,242,427	\$ 110,242,427
Fuel Adjustment Clause	\$ 2,120,794	\$ 2,120,794
DSM	\$ 1,395,447	\$ 1,395,447
Environmental Surcharge		\$ 4,011,785
CSR Credits		\$ (902,755)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 113,758,668	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 313	\$ 313
Virginia Retail	\$ 5,160,365	\$ 5,160,365
Wholesale	\$ 10,610,123	\$ 10,610,123
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,209,313	\$ 3,209,313
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,980,114	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 132,738,782	
Reconciling Revenues		
Brokered	\$ (47,421)	\$ (47,421)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 12,501,818
Provision for Refund		\$ -
Miscellaneous		\$ 4,423,341
Total Company Revenues per Income Statement =		\$ 152,725,550



a PPL company

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

September 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

RECEIVED

SEP 20 2011

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

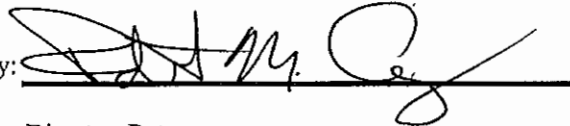
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 2,100,716

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 1.92%

Effective Date for Billing: October billing cycle beginning September 30, 2011

Submitted by:



Title: Director, Rates

Date Submitted: September 20, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,213,318,388
(2) RB / 12	= \$	101,109,866
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4) OE	= \$	6,543,787
(5) BAS	= \$	(12,812)
(6) BR	= \$	-
(7) E(m)	= \$	17,719,128
	$(2) \times (3) + (4) - (5) + (6)$	

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.18%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,447,536
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	(881,732)
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,565,804
(13) Revenue Collected through Base Rates	= \$	12,465,088
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	2,100,716
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	109,140,745
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	1.92%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	154,525,896	
Subtotal		\$ 1,418,764,768
Additions:		
Inventory - Limestone	\$ 614,230	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	490,256	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	420,841	
Cash Working Capital Allowance	2,464,257	
Subtotal		3,422,855
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	102,582,293	
Pollution Control Deferred Income Taxes	79,069,241	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		208,869,235
Environmental Compliance Rate Base		\$ 1,213,318,388

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 2,435,952
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	11,046
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	6,184
Monthly Surcharge Consultant Fee	
Total Pollution Control Operations Expense	\$ 6,543,787

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	37,785	50,597	(12,812)
Total Proceeds from Sales	\$ 37,785	\$ 50,597	\$ (12,812)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.61

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: August 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	61,613.37	43,818.00	0.00	38,863.00	66,568.37	
Dollars	\$ 538,987.67	\$ 395,535.57	\$ -	\$ 345,850.56	\$ 588,672.68	
\$/Ton	\$ 8.75	\$ 9.03		\$8.90	\$8.84	
At E.W. Brown:						
Tons	2,030.24	9,588.25	0.00	9,470.00	2,148.49	
Dollars	\$ 24,109.05	\$ 114,100.20	\$ -	\$ 112,651.63	\$ 25,557.62	
\$/Ton	\$ 11.87	\$ 11.90		\$11.90	\$ 11.90	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 537,756.96

KENTUCKY UTILITIES 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	Unamortized ITC as of 8/31/2011	Deferred Tax Balance as of 8/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 83,733.55	\$ -	\$ 751,312	\$ -	\$ 86,324	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,092,180.58	\$ 15,129,033	\$ 47,692,081	\$ -	\$ 3,487,830	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 97,199,119.11	\$ 46,074,975	\$ 982,367,946	\$ -	\$ 73,055,732	\$ 3,184,852	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 99,375,033	\$ 61,204,008	\$ 1,030,811,340	\$ -	\$ 76,629,886	\$ 3,262,195	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 97,122,963	\$ 61,204,008	\$ 1,028,320,853	\$ -	\$ 75,785,657	\$ 3,253,387	\$ 131,756

**KENTUCKY UTILITIES 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	Unamortized ITC as of 8/31/2011	Deferred Tax Balance as of 8/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 4,848,211.46	\$ 1,994,545	\$ 182,258,292	\$ 27,217,701	\$ 2,083,063	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 779,304.11	\$ -	\$ 12,175,529	\$ -	\$ 1,093,825	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 130,302.45	\$ -	\$ 901,651	\$ -	\$ 68,571	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 101,456.57	\$ -	\$ 1,247,709	\$ -	\$ 52,122	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 5,859,275	\$ 1,994,545	\$ 196,583,181	\$ 27,217,701	\$ 3,297,581	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 5,459,329	\$ 1,994,545	\$ 196,534,280	\$ 27,217,701	\$ 3,283,584	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 46,691,776	\$ 46,691,776	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 11,619,833	\$ 11,619,833	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 23,461,650	\$ 23,461,650	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 7,244,785	\$ 7,244,785	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,744,123	\$ 1,744,123	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 565,174	\$ 565,174	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 91,327,343	\$ 91,327,343	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 91,327,343	\$ 91,327,343	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 102,582,293	\$ 154,525,896	\$ 1,316,182,476	\$ 27,217,701	\$ 79,069,241	\$ 3,939,299	\$ 162,352

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 43% and LG&E at 52%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: August 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	156,547	5,086	5,054	\$ 484,672.38	\$ -	\$ 5,823.29	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of August 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	157,006	2,500	2,959	0	0	156,547	
Dollars	\$ 493,944.20	\$ 37.25	\$ 9,309.07	\$ -	\$ -	\$ 484,672.38	
\$/Allowance	\$ 3.15	\$ 0.01	\$ 3.15	\$ -	\$ -	\$ 3.10	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	157,006	-	2,959	-	-	156,547	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 493,944.20	\$ -	\$ 9,309.07	\$ -	\$ -	\$ 484,672.38	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	2,500					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 37.25					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of August 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,569	0	1,507	8	0	5,054	
Dollars	\$ 7,568.90	\$ -	\$ 1,736.39	\$ 9.22	\$ -	\$ 5,823.29	
\$/Allowance	\$ 1.15	\$ -	\$ 1.15	\$ 1.15	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,353	-	1,507	-	-	4,846	
Dollars	\$ 7,320.03	\$ -	\$ 1,736.39	\$ -	\$ -	\$ 5,583.64	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	216	-	-	8	-	208	
Dollars	\$ 248.87	\$ -	\$ -	\$ 9.22	\$ -	\$ 239.65	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,601	0	1,507	8	0	5,086	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,440	-	1,507	-	-	4,933	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	161	0	0	8	0	153	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,317,383
10th Previous Month	897,799
9th Previous Month	1,040,769
8th Previous Month	1,673,161
7th Previous Month	1,627,292
6th Previous Month	1,839,149
5th Previous Month	1,628,590
4th Previous Month	1,592,835
3rd Previous Month	1,790,381
2nd Previous Month	2,005,186
Previous Month	1,865,556
Current Month	2,435,952
Total 12 Month O&M	\$ 19,714,053

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 19,714,053
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,464,257

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses

For the Month Ended: August 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	112,651.63	252,523.06	-	-	-	365,174.69
512055 - ECR Scrubber Maintenance	55,975.01	300,474.15	-	-	-	356,449.16
Total 2005 Plan O&M Expenses	168,626.64	552,997.21	-	-	-	721,623.85
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	21,353.09	-	-	11,166.54	32,519.63
506152 - ECR Sorbent Reactant - Reagent Only	-	987,248.41	-	-	43,404.36	1,030,652.77
512152 - ECR Sorbent Injection Maintenance	-	9,155.72	-	-	907	10,062.57
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation – Consumables	-	-	-	-	81,644.23	81,644.23
506155 - ECR NOx Operation – Labor and Other	-	-	-	-	6,577.22	6,577.22
512151 - ECR NOx Maintenance	-	-	-	-	423.32	423.32
502056 - ECR Scrubber Operations	-	-	-	-	57,966.96	57,966.96
512055 - ECR Scrubber Maintenance	-	-	-	-	32,855.13	32,855.13
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	446,075.78	446,075.78
512051 - ECR Precipitator Maintenance	-	-	-	-	15,550.24	15,550.24
Total 2006 Plan O&M Expenses	-	1,017,757.22	-	-	696,570.63	1,714,327.85
2009 Plan						
506154 - ECR NOx Operation – Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation – Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502012 - ECR Landfill Operations	-	-	-	-	-	-
512105 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	-	0.00	-	-	-	0.00
Current Month O&M Expense for All Plans	168,626.64	1,370,754.43	-	-	696,570.63	2,435,951.70

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse Opportunities
 For the Month Ended: August 31, 2011

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Green River	Tyrone	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 33							
(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 33 [(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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: August 31, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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	\$ 115,252,388	\$ 5,976,449	\$ 1,340,408	\$ 4,465,805	\$ 127,035,049	\$ 122,569,244	\$ 15,383,156	\$ 142,418,204	\$ 137,952,399
Oct-10	94,328,977	2,032,353	960,928	678,496	98,000,754	97,322,258	9,950,814	107,951,568	107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	25,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	15,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,901
Jun-11	106,315,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Jul-11	110,242,427	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668	18,980,114	136,750,567	132,738,782
Aug-11	119,521,530	1,916,931	1,604,581	3,072,496	126,115,539	123,043,043	18,097,210	144,212,749	141,140,253
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 109,140,745			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									87.18%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	(42,737.13)	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 119,521,530	\$ 119,521,530
Fuel Adjustment Clause	\$ 1,916,931	\$ 1,916,931
DSM	\$ 1,604,581	\$ 1,604,581
Environmental Surcharge		\$ 3,072,496
CSR Credits		\$ (580,562)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 123,043,042	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 330	\$ 330
Virginia Retail	\$ 5,675,538	\$ 5,675,538
Wholesale	\$ 10,687,711	\$ 10,687,711
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,733,633	\$ 1,733,633
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,097,210	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 141,140,253	
Reconciling Revenues		
Brokered	\$ (42,737)	\$ (42,737)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 1,465,507
Provision for Refund		\$ -
Miscellaneous		\$ 3,434,712
Total Company Revenues per Income Statement =		\$ 148,489,669



a PPL company

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

RECEIVED
OCT 18 2011
PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

October 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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. 2011-00161, KU'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,

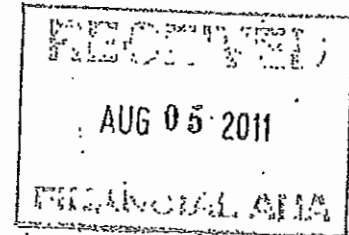
A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

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



FIRM INVOICED: Mr. John A. Rogness III
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

RECEIVED
 AUG 5 2011
 PUBLIC SERVICE
 COMMISSION

PROJECT DESCRIPTION:
 LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	July	40	\$260	\$10,400.00		\$10,400.00	
Chuck Buechel	July	50	\$240	\$12,000.00		\$12,000.00	
Mike Bolsmenu	July	16	\$240	\$3,840.00		\$3,840.00	
Mark Fowler	July	18	\$240	\$4,320.00		\$4,320.00	
SUB TOTALS		124		\$30,560.00	\$0.00	\$30,560.00	
TOTAL FEES							\$30,560.00
TOTAL PERSONAL EXPENSES							\$0.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$166.60
COPYING - Color							\$263.40
MISCELLANEOUS							
Invoice Amount							\$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

PO # 56277
 X [Signature]
 9-14-11

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

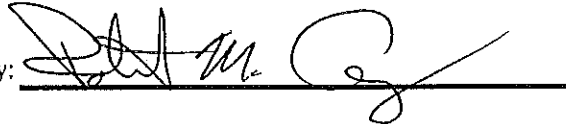
**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2011**

Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue
Collected Through Base Rates -- ES Form 1.10, line 14 = \$ 3,382,800

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 3.12%

Effective Date for Billing: November billing cycle beginning October 28, 2011

Submitted by:



Title: Director, Rates

Date Submitted: October 18, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB	= \$	1,210,886,436
(2) RB / 12	= \$	100,907,203
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%
(4) OE	= \$	5,909,919
(5) BAS	= \$	(10,294)
(6) BR	= \$	-
(7) E(m)	= \$	17,060,369

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	87.51%
(9) Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,929,529
(10) Adjustment for (Over)Under-collection pursuant to Case No. 2010-00474	=	-
(11) Prior Period Adjustment (if necessary)	=	-
(12) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,929,529
(13) Revenue Collected through Base Rates	= \$	11,546,729
(14) Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,382,800
(15) Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,584,502
(16) Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.12%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	159,344,971	
Subtotal		\$ 1,423,583,843
Additions:		
Inventory - Limestone	\$ 612,729	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	481,593	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	412,178	
Cash Working Capital Allowance	2,523,192	
Subtotal		3,471,626
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	106,531,533	
Pollution Control Deferred Income Taxes	82,419,799	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		216,169,033
Environmental Compliance Rate Base		\$ 1,210,886,436

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,788,869
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	7,836
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	2,974
Monthly Surcharge Consultant Fee - Case No. 2011-00161	16,425
Total Pollution Control Operations Expense	\$ 5,909,919

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 864	\$ -	\$ 864
Scrubber By-Products Sales	39,439	50,597	(11,158)
Total Proceeds from Sales	\$ 40,303	\$ 50,597	\$ (10,294)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 0.43

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: September 30, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	66,568.36	43,956.00	8,465.00	51,480.00	67,509.36	Adjustment to actual based on annual inventory fly-over.
Dollars	\$ 588,672.68	\$ 394,525.74	\$ -	\$ 421,224.88	\$ 561,973.54	
\$/Ton	\$ 8.84	\$ 8.98		\$8.18	\$8.32	
At E.W. Brown:						
Tons	2,148.49	4,423.35	3,727.00	3,614.00	6,684.84	Adjustment to actual based on annual inventory fly-over.
Dollars	\$ 25,557.62	\$ 52,637.86	\$ -	\$ 27,439.84	\$ 50,755.64	
\$/Ton	\$ 11.90	\$ 11.90	\$ -	\$7.59	\$ 7.59	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 536,255.84

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 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	Unamortized ITC as of 9/30/2011	Deferred Tax Balance as of 9/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 85,675.03	\$ -	\$ 749,371	\$ -	\$ 87,895	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,167,581.78	\$ 15,129,033	\$ 47,616,680	\$ -	\$ 3,623,086	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 100,383,971.03	\$ 46,194,326	\$ 979,302,446	\$ -	\$ 75,977,538	\$ 3,184,852	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 102,637,228	\$ 61,323,359	\$ 1,027,668,496	\$ -	\$ 79,688,519	\$ 3,262,195	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 100,385,158	\$ 61,323,359	\$ 1,025,178,010	\$ -	\$ 78,844,290	\$ 3,253,387	\$ 131,756

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2011

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 9/30/2011	(7) Deferred Tax Balance as of 9/30/2011	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 5,498,386.10	\$ 1,859,241	\$ 181,472,814	\$ 27,217,701	\$ 2,328,075	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 809,375.64	\$ -	\$ 12,145,458	\$ -	\$ 1,137,488	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 133,726.34	\$ -	\$ 898,227	\$ -	\$ 70,283	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 104,832.55	\$ -	\$ 1,244,333	\$ -	\$ 53,660	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 6,546,321	\$ 1,859,241	\$ 195,760,831	\$ 27,217,701	\$ 3,589,505	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 6,146,376	\$ 1,859,241	\$ 195,711,930	\$ 27,217,701	\$ 3,575,509	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 49,227,791	\$ 49,227,791	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 11,961,991	\$ 11,961,991	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 24,963,692	\$ 24,963,692	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 7,439,966	\$ 7,439,966	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 1,984,937	\$ 1,984,937	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 583,992	\$ 583,992	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 96,162,371	\$ 96,162,371	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 96,162,371	\$ 96,162,371	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 106,531,533	\$ 159,344,971	\$ 1,317,052,311	\$ 27,217,701	\$ 82,419,799	\$ 3,939,299	\$ 162,352

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: September 30, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	156,903	3,544	3,262	\$ 478,071.76	\$ -	\$ 3,758.53	
2012	77,535	15,158	6,683				
2013	77,535	15,158	6,683				
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of September 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,547	2,500	2,144	0	0	156,903	
Dollars	\$ 484,672.38	\$ 37.25	\$ 6,637.87	\$ -	\$ -	\$ 478,071.76	
\$/Allowance	\$ 3.10	\$ 0.01	\$ 3.10	\$ -	\$ -	\$ 3.05	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,547	-	2,144	-	-	156,903	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 484,672.38	\$ -	\$ 6,637.87	\$ -	\$ -	\$ 478,071.76	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	2,500					Purchase from LG&E - included in Ending Inventory - Coal Fuel as shown above.
Dollars	\$ -	\$ 37.25					
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of September 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,054	0	1,040	2	750	3,262	
Dollars	\$ 5,823.29	\$ -	\$ 1,198.30	\$ 2.30	\$ 864.16	\$ 3,758.53	
\$/Allowance	\$ 1.15	\$ -	\$ 1.15	\$ 1.15	\$ 1.15	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,846	-	1,040	-	750	3,056	Sales to LG&E
Dollars	\$ 5,583.64	\$ -	\$ 1,198.30	\$ -	\$ 864.16	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	208	-	-	2	-	206	
Dollars	\$ 239.65	\$ -	\$ -	\$ 2.30	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of September 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,086	0	1,040	2	500	3,544	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,933	-	1,040	-	500	3,393	Sales to LG&E
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	153	0	0	2	0	151	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 897,799
10th Previous Month	1,040,769
9th Previous Month	1,673,161
8th Previous Month	1,627,292
7th Previous Month	1,839,149
6th Previous Month	1,628,590
5th Previous Month	1,592,835
4th Previous Month	1,790,381
3rd Previous Month	2,005,186
2nd Previous Month	1,865,556
Previous Month	2,435,952
Current Month	1,788,869
Total 12 Month O&M	\$ 20,185,539

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 20,185,539
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,523,192

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: September 30, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	27,439.84	322,939.65				350,379.49
512055 - ECR Scrubber Maintenance	23,748.66					260,957.85
Total 2005 Plan O&M Expenses	51,188.50	560,148.84				611,337.34
2006 Plan						
506159 - ECR Sorbent Injection Operation		16,949.85			10,839.30	27,789.15
506152 - ECR Sorbent Reactant - Reagent Only		904,264.75			31,812.67	936,077.42
512152 - ECR Sorbent Injection Maintenance		4,360.14			(2,317)	2,043.33
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	0.00
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation – Consumables					41,498.89	41,498.89
506155 - ECR NOx Operation – Labor and Other					3,252.54	3,252.54
512151 - ECR NOx Maintenance					3,850.39	3,850.39
502056 - ECR Scrubber Operations					31,340.03	31,340.03
512055 - ECR Scrubber Maintenance					23,528.19	23,528.19
506051 - ECR Precipitator Operation					2,027	2,027.30
506151 - ECR Activated Carbon					70,391.02	70,391.02
512051 - ECR Precipitator Maintenance					35,733.69	35,733.69
Total 2006 Plan O&M Expenses	-	925,574.74	-	-	251,957.21	1,177,531.95
2009 Plan						
506154 - ECR NOx Operation – Consumables	-					-
506155 - ECR NOx Operation – Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00				0.00
Current Month O&M Expense for All Plans	51,188.50	1,485,723.58	-	-	251,957.21	1,788,869.29

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2011

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Green River	Tyrone	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 33							
(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 33 [(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)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Oct-10	\$ 94,328,977	\$ 2,032,353	\$ 960,928	\$ 678,496	\$ 98,000,754	\$ 97,322,258	\$ 9,950,814	\$ 107,951,568	\$ 107,273,072
Nov-10	88,962,545	1,821,557	902,245	2,948,221	94,634,568	91,686,347	12,488,616	107,123,183	104,174,962
Dec-10	113,175,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	25,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,961
Jun-11	106,515,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Jul-11	110,242,427	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668	18,980,114	136,750,567	132,738,782
Aug-11	119,521,530	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042	18,097,210	144,212,749	141,140,253
Sep-11	109,585,179	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324	16,533,764	134,616,272	132,428,088
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 108,584,502			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									87.51%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	(776.78)	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 109,585,179	\$ 109,585,179
Fuel Adjustment Clause	\$ 4,966,213	\$ 4,966,213
DSM	\$ 1,342,933	\$ 1,342,933
Environmental Surcharge		\$ 2,188,184
CSR Credits		\$ (890,312)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 115,894,324	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 493	\$ 493
Virginia Retail	\$ 5,372,838	\$ 5,372,838
Wholesale	\$ 8,702,121	\$ 8,702,121
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,458,310	\$ 2,458,310
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,533,764	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 132,428,088	
Reconciling Revenues		
Brokered	\$ (777)	\$ (777)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (20,911,796)
Provision for Refund		\$ -
Miscellaneous		\$ 5,415,481
Total Company Revenues per Income Statement =		\$ 118,228,869

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

November 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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. 2011-00161, KU'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,

A handwritten signature in black ink that reads "Robert M. Conroy".

Robert M. Conroy

Enclosures

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	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	August	59	\$260	\$10,400.00	\$993.52	\$11,393.52	
Chuck Buechel	August	68	\$240	\$16,320.00	\$90.00	\$16,410.00	
Mike Bolsmenu	August	91	\$240	\$21,840.00		\$21,840.00	
Mark Fowler	August	30	\$240	\$7,200.00		\$7,200.00	
SUB TOTALS		248		\$55,760.00	\$1,083.52	\$56,843.52	
TOTAL FEES							\$55,760.00
TOTAL PERSONAL EXPENSES							\$1,083.52
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$35.00
COPYING - Color							\$34.20
MISCELLANEOUS							
Invoice Amount							\$56,912.72
TOTAL MONTHLY INVOICE AMOUNT							\$56,912.72

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.
 Gudjoe Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

[Handwritten signature]
 PO # 56678
 x *[Handwritten signature]*
 9-29-11

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	September	76	\$260	\$19,760.00		\$19,760.00	✓	
Chuck Buechel	September	26	\$240	\$6,240.00		\$6,240.00	✓	
Mike Boismenu	September	88	\$240	\$21,120.00		\$21,120.00	✓	
Mark Fowler	September	49	\$240	\$11,760.00		\$11,760.00	✓	
SUB TOTALS		239		\$58,880.00	\$0.00	\$58,880.00		
TOTAL FEES							\$58,880.00	✓
TOTAL PERSONAL EXPENSES							\$0.00	
OVERNIGHT MAIL							\$0.00	
COPYING - Black/White							\$38.80	✓
COPYING - Color							\$3.60	✓
MISCELLANEOUS								
Invoice Amount							\$58,922.40	
TOTAL MONTHLY INVOICE AMOUNT							\$58,922.40	

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

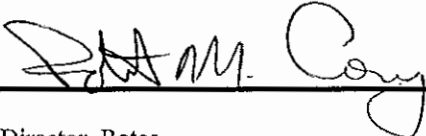
ES FORM 1.00

**KENTUCKY UTILITIES 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	=	\$	3,947,541
Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16	=		3.63%

Effective Date for Billing: December billing cycle beginning November 29, 2011

Submitted by: 

Title: Director, Rates

Date Submitted: November 18, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans	
(1) RB	= \$		1,227,064,849
(2) RB / 12	= \$		102,255,404
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		11.04%
(4) OE	= \$		5,757,759
(5) BAS	= \$		(9,565)
(6) BR	= \$		-
(7) E(m)	= \$	(2) x (3) + (4) - (5) + (6)	17,056,321

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	85.36%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	14,559,276
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	14,559,276
(13)	Revenue Collected through Base Rates	= \$	10,611,735
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	3,947,541
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,871,982
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	3.63%

ES FORM 2.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	182,770,493	
Subtotal		\$ 1,447,009,365
Additions:		
Inventory - Limestone	\$ 589,086	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	471,469	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	402,054	
Cash Working Capital Allowance	2,609,648	
Subtotal		3,524,315
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	110,480,774	
Pollution Control Deferred Income Taxes	85,770,356	
Pollution Control Deferred Investment Tax Credit	27,217,701	
Subtotal		223,468,831
Environmental Compliance Rate Base		\$ 1,227,064,849

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,589,445
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,133
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,271
Monthly Surcharge Consultant Fee - Case No. 2011-00161	61,393
Total Pollution Control Operations Expense	\$ 5,757,759

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	41,032	50,597	(9,565)
Total Proceeds from Sales	\$ 41,032	\$ 50,597	\$ (9,565)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.55

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: October 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	67,509.36	39,086.00	0.00	43,390.00	63,205.36	
Dollars	\$ 561,973.54	\$ 357,873.88	\$ -	\$ 372,496.58	\$ 547,350.84	
\$/Ton	\$ 8.32	\$ 9.16		\$8.58	\$8.66	
At E.W. Brown:						
Tons	6,684.84	0.00	0.00	1,188.00	5,496.84	
Dollars	\$ 50,755.64	\$ -	\$ -	\$ 9,020.07	\$ 41,735.57	
\$/Ton	\$ 7.59			\$7.59	\$ 7.59	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 512,613.07

KENTUCKY UTILITIES 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	Unamortized TTC as of 10/31/2011	Deferred Tax Balance as of 10/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 87,616.51	\$ -	\$ 747,429	\$ -	\$ 89,465	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,242,982.98	\$ 15,129,041	\$ 47,541,287	\$ -	\$ 3,758,342	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 103,568,822.95	\$ 47,179,153	\$ 977,102,421	\$ -	\$ 78,899,345	\$ 3,184,852	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 105,899,422	\$ 62,308,194	\$ 1,025,391,137	\$ -	\$ 82,747,152	\$ 3,262,195	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 103,647,352	\$ 62,308,194	\$ 1,022,900,650	\$ -	\$ 81,902,923	\$ 3,253,387	\$ 131,756

KENTUCKY UTILITIES 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	Unamortized ITC as of 10/31/2011	Deferred Tax Balance as of 10/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 6,148,560.74	\$ 1,897,579	\$ 180,860,977	\$ 27,217,701	\$ 2,573,088	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 839,447.17	\$ -	\$ 12,115,386	\$ -	\$ 1,181,350	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 137,150.23	\$ -	\$ 894,803	\$ -	\$ 71,994	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 108,208.53	\$ -	\$ 1,240,957	\$ -	\$ 55,197	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 7,233,367	\$ 1,897,579	\$ 195,112,123	\$ 27,217,701	\$ 3,881,430	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 6,833,422	\$ 1,897,579	\$ 195,063,222	\$ 27,217,701	\$ 3,867,433	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 53,966,516	\$ 53,966,516	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 12,692,487	\$ 12,692,487	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 41,610,539	\$ 41,610,539	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 7,690,013	\$ 7,690,013	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 2,015,312	\$ 2,015,312	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 589,853	\$ 589,853	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 118,564,719	\$ 118,564,719	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 118,564,719	\$ 118,564,719	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 110,480,774	\$ 182,770,493	\$ 1,336,528,591	\$ 27,217,701	\$ 85,770,356	\$ 3,939,299	\$ 162,352

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: October 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	154,078	2,581	3,262	\$ 467,948.18	\$ -	\$ 3,758.53	
2012	77,535						
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of October 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	156,903	500	3,325	0	0	154,078	
Dollars	\$ 478,071.76	\$ 7.45	\$ 10,131.03	\$ -	\$ -	\$ 467,948.18	
\$/Allowance	\$ 3.05	\$ 0.01	\$ 3.05	\$ -	\$ -	\$ 3.04	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	156,903	-	3,325	-	-	154,078	Ending Inventory includes purchase from LG&E as shown below.
Dollars	\$ 478,071.76	\$ -	\$ 10,131.03	\$ -	\$ -	\$ 467,948.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	500					Purchase from LG&E - included in Ending Inventory - Coal Fuel
Dollars	\$ -	\$ 7.45					as shown above.
\$/Allowance	\$ -	\$ 0.01	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of October 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,262	0	0	0	0	3,262	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,056	-	-	-	-	3,056	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	-	-	-	-	206	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of October 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,544	0	960	3	0	2,581	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,393	-	960	3	-	2,430	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	151	0	0	0	0	151	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,040,769
10th Previous Month	1,673,161
9th Previous Month	1,627,292
8th Previous Month	1,839,149
7th Previous Month	1,628,590
6th Previous Month	1,592,835
5th Previous Month	1,790,381
4th Previous Month	2,005,186
3rd Previous Month	1,865,556
2nd Previous Month	2,435,952
Previous Month	1,788,869
Current Month	1,589,445
Total 12 Month O&M	\$ 20,877,185

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 20,877,185
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,609,648

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: October 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	9,020.07	267,807.87				276,827.94
512055 - ECR Scrubber Maintenance	28,291.82	103,271.24				131,563.06
Total 2005 Plan O&M Expenses	37,311.89	371,079.11				408,391.00
2006 Plan						
506159 - ECR Sorbent Injection Operation		17,772.56			11,145.05	28,917.61
506152 - ECR Sorbent Reactant - Reagent Only		796,276.37			-1,683.09	794,593.28
512152 - ECR Sorbent Injection Maintenance		291.43			6,086	6,377.23
506150 - ECR Mercury Monitors Operation	1,432	2,061			1,306	4,799.29
512153 - ECR Mercury Monitors Maintenance	-	-			-	0.00
506154 - ECR NOx Operation – Consumables					96,399.25	96,399.25
506155 - ECR NOx Operation – Labor and Other					2,436.70	2,436.70
512151 - ECR NOx Maintenance					2,047.63	2,047.63
502056 - ECR Scrubber Operations					94,510.77	94,510.77
512055 - ECR Scrubber Maintenance					29,643.72	29,643.72
506051 - ECR Precipitator Operation					3,709	3,709.49
506151 - ECR Activated Carbon					112,513.25	112,513.25
512051 - ECR Precipitator Maintenance					5,105.77	5,105.77
Total 2006 Plan O&M Expenses	1,432	816,401.77	-	-	363,220.22	1,181,053.99
2009 Plan						
506154 - ECR NOx Operation – Consumables	-					-
506155 - ECR NOx Operation – Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	38,743.89	1,187,480.88	-	-	363,220.22	1,589,444.99

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: October 31, 2011

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: October 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**
Monthly Average Revenue Computation of R (m)

For the Month Ended: October 31, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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)
Nov-10	\$ 88,962,545	\$ 1,821,557	\$ 902,245	\$ 2,948,221	\$ 94,634,568	\$ 91,686,347	\$ 12,488,616	\$ 107,123,183	\$ 104,174,962
Dec-10	113,173,146	(3,885,712)	1,525,425	5,096,959	115,909,817	110,812,859	16,568,025	132,477,842	127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,901
Jun-11	106,315,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Jul-11	110,242,427	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668	18,980,114	136,750,567	132,738,782
Aug-11	119,521,530	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042	18,097,210	144,212,749	141,140,253
Sep-11	109,585,179	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324	16,533,764	134,616,272	132,428,088
Oct-11	96,323,891	3,485,600	962,525	1,928,584	102,700,601	100,772,017	17,285,351	119,985,952	118,057,368
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 108,871,982			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									85.36%
							Note 1 - Excludes Brokered Sales, Total for Current Month = \$	(11,823.38)	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 96,323,891	\$ 96,323,891
Fuel Adjustment Clause	\$ 3,485,600	\$ 3,485,600
DSM	\$ 962,525	\$ 962,525
Environmental Surcharge		\$ 1,928,584
CSR Credits		\$ (1,898,493)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 100,772,017	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 268	\$ 268
Virginia Retail	\$ 5,035,408	\$ 5,035,408
Wholesale	\$ 6,887,006	\$ 6,887,006
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 5,362,669	\$ 5,362,669
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,285,351	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 118,057,368	
Reconciling Revenues		
Brokered	\$ (11,823)	\$ (11,823)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ (6,269,324)
Provision for Refund		\$ -
Miscellaneous		\$ (2,471,623)
Total Company Revenues per Income Statement =		\$ 109,334,689



a PPL company

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

RECEIVED

DEC 20 2011

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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. 2011-00161, KU'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,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a white background.

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

Approved
DO # 58138

[Signature]
12/14/11

PROJECT DESCRIPTION:
 LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	October	32	\$260	\$8,320.00		\$8,320.00	
Chuck Buechel	October	10	\$240	\$2,400.00		\$2,400.00	
Mike Boismenu	October	22	\$240	\$5,280.00		\$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							\$0.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$16,000.00
TOTAL MONTHLY INVOICE AMOUNT							\$16,000.00

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.

[Signature]
 11/7/11

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

**KENTUCKY UTILITIES 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 = \$ 5,576,601

Jurisdictional Environmental Surcharge Billing Factor -- ES Form 1.10, line 16 = 5.13%

Effective Date for Billing: January billing cycle beginning December 30, 2011

Submitted by:



Title: Director, Rates

Date Submitted: December 20, 2011

**KENTUCKY UTILITIES 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)

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

		Environmental Compliance Plans
(1) RB		= \$ 1,225,988,797
(2) RB / 12		= \$ 102,165,733
(3) (ROR + (ROR - DR) (TR / (1 - TR)))		= 11.04%
(4) OE		= \$ 6,086,129
(5) BAS		= \$ (4,271)
(6) BR		= \$ -
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$ 17,369,497

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.00	=	86.51%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	15,026,352
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00474	=	-
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	15,026,352
(13)	Revenue Collected through Base Rates	= \$	9,449,751
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	5,576,601
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	108,673,513
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	5.13%

ES FORM 2.00

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2011

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,264,238,872	
Eligible Pollution CWIP Excluding AFUDC	188,754,688	
Subtotal		\$ 1,452,993,560
Additions:		
Inventory - Limestone	\$ 661,141	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	460,727	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	391,312	
Cash Working Capital Allowance	2,725,817	
Subtotal		3,701,797
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	114,430,015	
Pollution Control Deferred Income Taxes	89,120,914	
Pollution Control Deferred Investment Tax Credit	27,155,631	
Subtotal		230,706,560
Environmental Compliance Rate Base		\$ 1,225,988,797

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,970,117
Monthly Depreciation & Amortization Expense	3,939,299
Monthly Taxes Other Than Income Taxes	162,352
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33 (See Note 1)	10,743
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862
Net Recoverable Emission Allowance Expense	5,881
Monthly Surcharge Consultant Fee - Case No. 2011-00161	8,480
Total Pollution Control Operations Expense	\$ 6,086,129

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	46,327	50,597	(4,271)
Total Proceeds from Sales	\$ 46,327	\$ 50,597	\$ (4,271)

Note 1: Monthly Emission Allowance Expense includes KU's share of Trimble County Unit 2 SO₂ emission allowance expense not reflected on ES Form 2.31. Current month KU TC2 emission allowance expense = \$ 1.16

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: November 30, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	63,205.36	48,841.00	0.00	44,345.00	67,701.36	
Dollars	\$ 547,350.84	\$ 448,232.64	\$ -	\$ 393,491.21	\$ 602,092.27	
\$/Ton	\$ 8.66	\$ 9.18		\$8.87	\$8.89	
At E.W. Brown:						
Tons	5,496.84	0.00	0.00	2,903.00	2,593.84	
Dollars	\$ 41,735.57	\$ 83,400.07	\$ -	\$ 66,086.84	\$ 59,048.80	
\$/Ton	\$ 7.59			\$22.77	\$ 22.77	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 584,667.73

**KENTUCKY UTILITIES 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	Unamortized ITC as of 11/30/2011	Deferred Tax Balance as of 11/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2001 Plan:								
Project 16 - KU Nox modifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 17 - KU Nox SCR's	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2001 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2003 Plan:								
Project 18 - Ghent Ash Pond Dike Elevation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2003 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 89,557.99	\$ -	\$ 745,488	\$ -	\$ 91,036	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,318,384.18	\$ 15,129,554	\$ 47,466,398	\$ -	\$ 3,893,599	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,033,492,091	\$ 106,753,674.87	\$ 48,069,908	\$ 974,808,324	\$ -	\$ 81,821,151	\$ 3,184,852	\$ 125,433
Subtotal	\$ 1,068,982,365	\$ 109,161,617	\$ 63,199,462	\$ 1,023,020,210	\$ -	\$ 85,805,785	\$ 3,262,195	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,064,239,808	\$ 106,909,547	\$ 63,199,462	\$ 1,020,529,723	\$ -	\$ 84,961,556	\$ 3,253,387	\$ 131,756

KENTUCKY UTILITIES 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	Unamortized ITC as of 11/30/2011	Deferred Tax Balance as of 11/30/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 6,798,735.38	\$ 1,971,747	\$ 180,284,970	\$ 27,155,631	\$ 2,818,101	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 869,518.70	\$ -	\$ 12,085,315	\$ -	\$ 1,224,813	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 140,574.12	\$ -	\$ 891,379	\$ -	\$ 73,706	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 111,584.51	\$ -	\$ 1,237,581	\$ -	\$ 56,735	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 7,920,413	\$ 1,971,747	\$ 194,499,244	\$ 27,155,631	\$ 4,173,354	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 7,520,468	\$ 1,971,747	\$ 194,450,344	\$ 27,155,631	\$ 4,159,357	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 54,877,608	\$ 54,877,608	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 13,606,380	\$ 13,606,380	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 44,210,428	\$ 44,210,428	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ -	\$ -	\$ 8,154,233	\$ 8,154,233	\$ -	\$ -	\$ -	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 2,135,928	\$ 2,135,928	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 598,903	\$ 598,903	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ -	\$ -	\$ 123,583,480	\$ 123,583,480	\$ -	\$ -	\$ -	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 123,583,480	\$ 123,583,480	\$ -	\$ -	\$ -	\$ 5,683
Net Total - All Plans:	\$ 1,264,238,872	\$ 114,430,015	\$ 188,754,688	\$ 1,338,563,546	\$ 27,155,631	\$ 89,120,914	\$ 3,939,299	\$ 162,352

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: November 30, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	150,541	1,653	3,262	\$ 457,206.01	\$ -	\$ 3,758.53	
2012	77,535						
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of November 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	154,078	0	3,537	0	0	150,541	
Dollars	\$ 467,948.18	\$ -	\$ 10,742.17	\$ -	\$ -	\$ 457,206.01	
\$/Allowance	\$ 3.04	\$ -	\$ 3.04	\$ -	\$ -	\$ 3.04	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	154,078	-	3,537	-	-	150,541	
Dollars	\$ 467,948.18	\$ -	\$ 10,742.17	\$ -	\$ -	\$ 457,206.01	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of November 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,262	0	0	0	0	3,262	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,056	-	-	-	-	3,056	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	-	-	-	-	206	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of November 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	2,581	0	925	3	0	1,653	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,430	-	925	-	-	1,505	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	151	0	0	3	0	148	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2011

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,673,161
10th Previous Month	1,627,292
9th Previous Month	1,839,149
8th Previous Month	1,628,590
7th Previous Month	1,592,835
6th Previous Month	1,790,381
5th Previous Month	2,005,186
4th Previous Month	1,865,556
3rd Previous Month	2,435,952
2nd Previous Month	1,788,869
Previous Month	1,589,445
Current Month	1,970,117
Total 12 Month O&M	\$ 21,806,533

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 21,806,533
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 2,725,817

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: November 30, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	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	66,086.84	285,662.02				351,748.86
512055 - ECR Scrubber Maintenance	53,307.59	179,361.02				232,668.61
Total 2005 Plan O&M Expenses	119,394.43	465,023.04				584,417.47
2006 Plan						
506159 - ECR Sorbent Injection Operation		19,295.76			9,954.18	29,249.94
506152 - ECR Sorbent Reactant - Reagent Only		847,014.36			54,767.51	901,781.87
512152 - ECR Sorbent Injection Maintenance		534.18			6,436	6,970.46
506150 - ECR Mercury Monitors Operation	-	-	-	-	9,794	9,794.08
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					111,639.10	111,639.10
506155 - ECR NOx Operation -- Labor and Other					2,750.93	2,750.93
512151 - ECR NOx Maintenance					4,337.47	4,337.47
502056 - ECR Scrubber Operations					82,728.81	82,728.81
512055 - ECR Scrubber Maintenance					56,917.97	56,917.97
506051 - ECR Precipitator Operation					3,608	3,608.39
506151 - ECR Activated Carbon					171,846.56	171,846.56
512051 - ECR Precipitator Maintenance					4,073.71	4,073.71
Total 2006 Plan O&M Expenses	-	866,844.30	-	-	518,854.99	1,385,699.29
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502012 - ECR Landfill Operations		-			-	-
512105 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Current Month O&M Expense for All Plans	119,394.43	1,331,867.34	-	-	518,854.99	1,970,116.76

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: November 30, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2011

(1)	Kentucky Jurisdictional Revenues						Non-Jurisdictional Revenues	Total Company Revenues	
	(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	\$ 113,173,146	\$ (3,885,712)	\$ 1,525,425	\$ 5,096,959	\$ 115,909,817	\$ 110,812,859	\$ 16,568,025	\$ 132,477,842	\$ 127,380,884
Jan-11	133,983,325	(4,079,961)	2,482,893	5,407,256	137,793,514	132,386,258	23,134,950	160,928,464	155,521,208
Feb-11	112,247,614	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648	18,880,778	138,495,634	135,469,425
Mar-11	104,076,223	45,175	1,568,534	169,800	105,859,733	105,689,933	17,187,533	123,047,265	122,877,465
Apr-11	94,847,487	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475	13,938,469	112,181,428	109,820,943
May-11	91,635,718	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703	17,277,199	111,729,634	109,257,901
Jun-11	106,315,211	381,783	1,271,511	3,699,167	111,667,672	107,968,505	19,923,777	131,591,449	127,892,282
Jul-11	110,242,427	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668	18,980,114	136,750,567	132,738,782
Aug-11	119,521,530	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042	18,097,210	144,212,749	141,140,253
Sep-11	109,585,179	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324	16,533,764	134,616,272	132,428,088
Oct-11	96,323,891	3,485,600	962,525	1,928,584	102,700,601	100,772,017	17,285,351	119,985,952	118,057,368
Nov-11	86,262,441	2,079,249	963,030	2,749,517	92,054,236	89,304,719	13,924,512	105,978,748	103,229,231
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.						\$ 108,673,513			
Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations): Expense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =									86.51%
							Note 1 - Excludes Brokered Sales, Total for Current Month =	\$ (1,645.26)	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 86,262,441	\$ 86,262,441
Fuel Adjustment Clause	\$ 2,079,249	\$ 2,079,249
DSM	\$ 963,030	\$ 963,030
Environmental Surcharge		\$ 2,749,517
CSR Credits		\$ (962,380)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 89,304,719	
Non -Jurisdictional Revenues		
Tennessee Retail	\$ 488	\$ 488
Virginia Retail	\$ 5,631,408	\$ 5,631,408
Wholesale	\$ 6,244,581	\$ 6,244,581
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,048,034	\$ 2,048,034
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,924,512	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 103,229,230	
Reconciling Revenues		
Brokered	\$ (1,645)	\$ (1,645)
InterSystem (Transmission Portion Booked in Account 447)		\$ -
Unbilled		\$ 10,800,859
Provision for Refund		\$ -
Miscellaneous		\$ 1,925,449
Total Company Revenues per Income Statement =		\$ 117,741,031



a PPL company

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

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

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JAN 20 2012

PUBLIC SERVICE
COMMISSION

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

January 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2010-00474, KU 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. 2011-00161. Additionally, KU 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. 2011-00231.

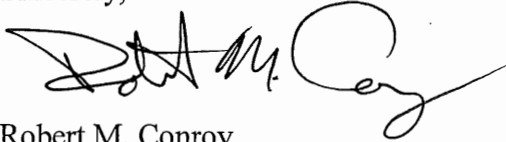
Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2011.

Mr. Jeff DeRouen
January 20, 2012

Attachment to Response to SV Question No. 2(b)
Page 447 of 1211
Conroy

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Conroy". The signature is fluid and cursive, with a large, prominent "C" at the end.

Robert M. Conroy

Enclosures

Page 448 of 1211
RECEIVED
 Conroy

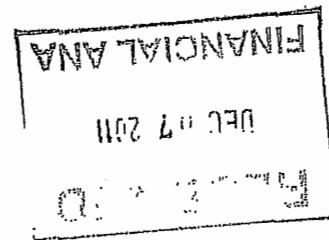
DEC 07 2011

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: 11/1/2011-11/30/2011
 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	November	50	\$260	\$13,000.00	\$2,315.63	\$15,315.63	
Chuck Buechel	November	40	\$240	\$9,600.00		\$9,600.00	
Mike Boismenu	November	24	\$240	\$5,760.00		\$5,760.00	
Mark Fowler	November	0	\$240	\$0.00		\$0.00	
SUB TOTALS		114		\$28,360.00	\$2,315.63	\$30,675.63	
TOTAL FEES							\$28,360.00
TOTAL PERSONAL EXPENSES							\$2,315.63
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$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

[Handwritten Signature]

12/12/11

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
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 = \$ 4,215,138

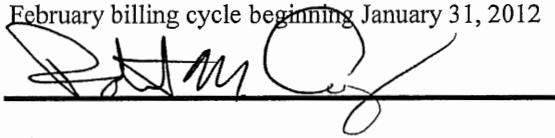
Group 1 ES Billing Factor -- ES Form 1.10, line 20 = 3.92%

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

Submitted by: 

Title: Director, Rates

Date Submitted: January 20, 2012

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

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

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,241,656,918	\$ 19,369,355
(2) RB / 12	= \$	103,471,410	\$ 1,614,113
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	11.04%	10.59%
(4) OE	= \$	5,249,209	\$ 936,843
(5) BAS	= \$	2,416	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	= \$	$(2) \times (3) + (4) - (5) + (6)$ 16,670,037	\$ 1,107,778
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,777,815	

Calculation of Adjusted Total Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	83.93%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	14,920,920
(11) Prior Period Adjustment related to Rate Base or OE (if necessary)	= \$	-
(12) Adjusted Total Jurisdictional E(m) [(10) + (11)]	=	14,920,920

Calculation of Group Environmental Surcharge Billing Factors

		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)]	= \$	14,920,920	\$ -
(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	= \$	10,705,782	\$ -
(18) Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates [(14) + (15) + (16) - (17)]	= \$	4,215,138	\$ -
(19) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	107,595,608	\$ -
(20) Group Environmental Surcharge Billing Factors [(18) + (19)]	=	3.92%	0.00%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2011

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,316,450,254	\$ -
Eligible Pollution CWIP Excluding AFUDC	160,117,611	19,254,282
Subtotal	\$ 1,476,567,865	\$ 19,254,282
Additions:		
Inventory - Limestone	\$ 708,595	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	450,225	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	380,810	
Cash Working Capital Allowance	2,649,591	115,073
Subtotal	3,662,522	115,073
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	118,457,818	-
Pollution Control Deferred Income Taxes	92,960,020	-
Pollution Control Deferred Investment Tax Credit	27,155,631	-
Subtotal	238,573,469	-
Environmental Compliance Rate Base	\$ 1,241,656,918	\$ 19,369,355

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,063,355	\$ 920,585
Monthly Depreciation & Amortization Expense	4,017,862	-
Monthly Taxes Other Than Income Taxes	162,352	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,502	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,640	
Monthly Surcharge Consultant Fee		16,258
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,249,209	\$ 936,843

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	53,014	50,597	2,416
Total Proceeds from Sales	\$ 53,014	\$ 50,597	\$ 2,416

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: December 31, 2011

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	67,701.36	52,445.00	0.00	47,274.00	72,872.36	
Dollars	\$ 602,092.27	\$ 498,450.88	\$ -	\$ 431,588.42	\$ 668,954.73	
\$/Ton	\$ 8.89	\$ 9.50		\$9.13	\$9.18	
At E.W. Brown:						
Tons	2,593.84	4,900.61	0.00	4,917.00	2,577.45	
Dollars	\$ 59,048.80	\$ 56,212.61	\$ -	\$ 75,621.35	\$ 39,640.06	
\$/Ton	\$ 22.77	\$ 11.47		\$15.38	\$ 15.38	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 632,121.45

KENTUCKY UTILITIES 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	Unamortized ITC as of 12/31/2011	Deferred Tax Balance as of 12/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 91,499.47	\$ -	\$ 743,546	\$ -	\$ 92,607	\$ 1,941	\$ 96
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,393,785.38	\$ 2,783,797	\$ 35,045,240	\$ -	\$ 4,028,855	\$ 75,401	\$ 6,550
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,076,601,003	\$ 110,007,382.85	\$ 5,419,313	\$ 972,012,933	\$ -	\$ 85,102,905	\$ 3,253,708	\$ 125,433
Subtotal	\$ 1,112,091,277	\$ 112,492,668	\$ 8,203,110	\$ 1,007,801,720	\$ -	\$ 89,224,367	\$ 3,331,051	\$ 132,079
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,107,348,721	\$ 110,240,598	\$ 8,203,110	\$ 1,005,311,233	\$ -	\$ 88,380,138	\$ 3,322,243	\$ 131,756
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 7,448,910.02	\$ 3,006,318	\$ 180,669,366	\$ 27,155,631	\$ 3,063,113	\$ 650,175	\$ 23,149
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 899,590.23	\$ -	\$ 12,055,243	\$ -	\$ 1,268,476	\$ 30,072	\$ 1,552
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 143,998.01	\$ -	\$ 887,955	\$ -	\$ 75,011	\$ 3,424	\$ 116
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 114,960.49	\$ -	\$ 1,234,205	\$ -	\$ 58,272	\$ 3,376	\$ 159
Subtotal	\$ 200,447,910	\$ 8,607,459	\$ 3,006,318	\$ 194,846,769	\$ 27,155,631	\$ 4,464,872	\$ 687,046	\$ 24,976
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 8,207,514	\$ 3,006,318	\$ 194,797,868	\$ 27,155,631	\$ 4,450,876	\$ 685,912	\$ 24,913
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 57,780,389	\$ 57,780,389	\$ -	\$ -	\$ -	\$ 2,980
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 14,596,452	\$ 14,596,452	\$ -	\$ -	\$ -	\$ 213
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 72,789,703	\$ 72,789,703	\$ -	\$ -	\$ -	\$ 1,633
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 9,707	\$ -	\$ 9,092,762	\$ -	\$ 129,006	\$ 9,707	\$ 687
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 2,725,696	\$ 2,725,696	\$ -	\$ -	\$ -	\$ 139
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 1,015,943	\$ 1,015,943	\$ -	\$ -	\$ -	\$ 31
Subtotal	\$ 9,102,469	\$ 9,707	\$ 148,908,183	\$ 158,000,945	\$ -	\$ 129,006	\$ 9,707	\$ 5,683
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 9,707	\$ 148,908,183	\$ 158,000,945	\$ -	\$ 129,006	\$ 9,707	\$ 5,683
Subtotal - Pre-2011 Plans:	\$ 1,316,450,254	\$ 118,457,818	\$ 160,117,611	\$ 1,358,110,046	\$ 27,155,631	\$ 92,960,020	\$ 4,017,862	\$ 162,352

KENTUCKY UTILITIES 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	Unamortized ITC as of 12/31/2011	Deferred Tax Balance as of 12/31/2011	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,268,107	\$ 14,268,107	\$ -	\$ -	\$ -	\$ -
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 43,610	\$ 43,610	\$ -	\$ -	\$ -	\$ -
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 4,942,565	\$ 4,942,565	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ 19,254,282	\$ 19,254,282	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 19,254,282	\$ 19,254,282	\$ -	\$ -	\$ -	\$ -
Net Total - All Plans:	\$ 1,316,450,254	\$ 118,457,818	\$ 179,371,893	\$ 1,377,364,328	\$ 27,155,631	\$ 92,960,020	\$ 4,017,862	\$ 162,352

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: December 31, 2011

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	147,083	2	3,262	\$ 446,703.79	\$ -	\$ 3,758.53	
2012	77,535						
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031 - 2040	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of December 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	150,541	0	3,458	0	0	147,083	
Dollars	\$ 457,206.01	\$ -	\$ 10,502.22	\$ -	\$ -	\$ 446,703.79	
\$/Allowance	\$ 3.04	\$ -	\$ 3.04	\$ -	\$ -	\$ 3.04	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	150,541	-	3,458	-	-	147,083	
Dollars	\$ 457,206.01	\$ -	\$ 10,502.22	\$ -	\$ -	\$ 446,703.79	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of December 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,262	0	0	0	0	3,262	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 1.15	\$ -	\$ -	\$ -	\$ -	\$ 1.15	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,056	-	-	-	-	3,056	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	206	-	-	-	-	206	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2011

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,653	(18)	1,134	0	499	2	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,505	(5)	1,134	-	365	1	Ending Inventory includes sale to LG&E and (5) surrender
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	true-up allowances.
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	148	(13)	0	0	134	1	Ending Inventory includes sale to LG&E and (13) surrender
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	true-up allowances.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2011

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,627,292	
10th Previous Month	1,839,149	
9th Previous Month	1,628,590	
8th Previous Month	1,592,835	
7th Previous Month	1,790,381	
6th Previous Month	2,005,186	
5th Previous Month	1,865,556	
4th Previous Month	2,435,952	
3rd Previous Month	1,788,869	
2nd Previous Month	1,589,445	
Previous Month	1,970,117	
Current Month	1,063,355	920,585
Total 12 Month O&M	\$ 21,196,727	\$ 920,585

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	21,196,727	\$ 920,585
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,649,591	\$ 115,073

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2011

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	75,621.35	353,490.30				429,111.65
512055 - ECR Scrubber Maintenance	54,058.16	170,326.31				224,384.47
Total 2005 Plan O&M Expenses	129,679.51	523,816.61				653,496.12
2006 Plan						
506159 - ECR Sorbent Injection Operation					4,209.45	4,209.45
506152 - ECR Sorbent Reactant - Reagent Only					51,972.40	51,972.40
512152 - ECR Sorbent Injection Maintenance					183.95	183.95
506150 - ECR Mercury Monitors Operation	1,052.12	2,076.36	86.64	28.88	10,714.34	13,958.34
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					90,927.20	90,927.20
506155 - ECR NOx Operation -- Labor and Other					4,004.40	4,004.40
512151 - ECR NOx Maintenance					12,304.69	12,304.69
502056 - ECR Scrubber Operations					78,341.37	78,341.37
512055 - ECR Scrubber Maintenance					36,549.27	36,549.27
506051 - ECR Precipitator Operation					3,758.61	3,758.61
506151 - ECR Activated Carbon					110,606.31	110,606.31
512051 - ECR Precipitator Maintenance					3,042.60	3,042.60
Total 2006 Plan O&M Expenses	1,052	2,076.36	87	29	406,614.59	409,858.59
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	130,731.63	525,892.97	86.64	28.88	406,614.59	1,063,354.71
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	17,476.58				17,476.58
506152 - ECR Sorbent Reactant - Reagent Only	7,003	891,063.30				898,066.58
512152 - ECR Sorbent Injection Maintenance	-	5,041.60				5,041.60
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	7,003.28	913,581.48				920,584.76
Current Month O&M Expense for All Plans						
	137,734.91	1,439,474.45	86.64	28.88	406,614.59	1,983,939.47

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

**KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: December 31, 2011

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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)	Total Excluding Environmental Surcharge (7)-(6)
Jan-11	\$ 79,737,150	\$ 54,246,175	\$ (4,079,961)	\$ 2,482,893	\$ 5,407,256	\$ 137,793,514	\$ 132,386,258
Feb-11	67,038,171	45,209,443	2,435,023	1,906,011	3,026,209	119,614,857	116,588,648
Mar-11	62,170,354	41,905,870	45,175	1,568,534	169,800	105,859,733	105,689,933
Apr-11	56,843,357	38,004,130	(228,729)	1,263,716	2,360,485	98,242,959	95,882,475
May-11	55,933,365	35,702,353	(742,243)	1,087,228	2,471,733	94,452,436	91,980,703
Jun-11	64,274,550	42,040,661	381,783	1,271,511	3,699,167	111,667,672	107,968,505
Jul-11	67,568,168	42,674,259	2,120,794	1,395,447	4,011,785	117,770,453	113,758,668
Aug-11	72,619,227	46,902,303	1,916,931	1,604,581	3,072,496	126,115,539	123,043,042
Sep-11	66,398,438	43,186,740	4,966,213	1,342,933	2,188,184	118,082,508	115,894,324
Oct-11	57,391,197	38,932,694	3,485,600	962,525	1,928,584	102,700,601	100,772,017
Nov-11	52,704,870	33,557,570	2,079,249	963,030	2,749,517	92,054,236	89,304,719
Dec-11	60,036,690	39,439,553	(2,870,818)	1,272,580	3,531,568	101,409,572	97,878,004
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 107,595,608
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 97,878,004
GROUP 1 Revenues as a Percentage of Total Revenues for Current Month							100.00%

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)
Jan-11						\$ -	\$ -	\$ -
Feb-11						\$ -	\$ -	\$ -
Mar-11						\$ -	\$ -	\$ -
Apr-11						\$ -	\$ -	\$ -
May-11						\$ -	\$ -	\$ -
Jun-11						\$ -	\$ -	\$ -
Jul-11						\$ -	\$ -	\$ -
Aug-11						\$ -	\$ -	\$ -
Sep-11						\$ -	\$ -	\$ -
Oct-11						\$ -	\$ -	\$ -
Nov-11						\$ -	\$ -	\$ -
Dec-11						\$ -	\$ -	\$ -
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.								\$ -
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes from ES Form 3.10 =							\$ 97,878,004	
GROUP 2 Revenues as a Percentage of Total Revenues for Current Month							0.00%	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2011

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 99,476,242	\$ 99,476,242
(2) Fuel Adjustment Clause	\$ (2,870,818)	\$ (2,870,818)
(3) DSM	\$ 1,272,580	\$ 1,272,580
(4) Environmental Surcharge		\$ 3,531,568
(5) CSR Credits		\$ (951,248)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 97,878,004	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 762	\$ 762
(8) Virginia Retail	\$ 7,345,834	\$ 7,345,834
(9) Wholesale	\$ 8,049,228	\$ 8,049,228
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,345,362	\$ 3,345,362
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,741,185	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 116,619,190	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	83.93%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 7,896,197
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,668,604
(18) Total Company Revenues per Income Statement =		\$ 129,764,310



a PPL company

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

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

RECEIVED

FEB 17 2012

PUBLIC SERVICE
COMMISSION

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

February 17, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU 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. 2011-00231. Please note that some changes have been made to ES Form 1.10, with conforming changes to ES Forms 1.00 and 3.00. KU is requesting a technical conference with Commission Staff on Wednesday, February 22, 2012, to explain these changes.

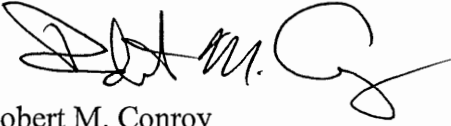
Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in January 2012.

Mr. Jeff DeRouen
February 17, 2012

Attachment to Response to SV Question No. 2(b)
Page 467 of 1211
Conroy

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a large, stylized flourish at the end.

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: 12/1/2011-12/31/2011
 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	December	8	\$260	\$2,080.00		\$2,080.00	✓
Chuck Buechel	December	6	\$240	\$1,440.00		\$1,440.00	✓
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							\$3,760.00
TOTAL PERSONAL EXPENSES							\$0.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$3,760.00
TOTAL MONTHLY INVOICE AMOUNT							\$3,760.00

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

[Handwritten signature]
 1/18/2012
 Approved PO # 600185
 OK *[Handwritten signature]* 1/20/12
 ECR proceeding

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2012

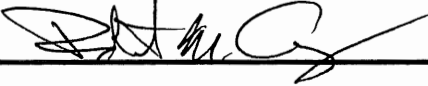
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	987,137
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.36%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,511,943
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		4.13%

Effective Date for Billing: March billing cycle beginning February 29, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: February 17, 2012

KENTUCKY UTILITIES 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 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,316,450,254	\$ -
Eligible Pollution CWIP Excluding AFUDC	168,797,824	19,759,625
Subtotal	\$ 1,485,248,078	\$ 19,759,625
Additions:		
Inventory - Limestone	\$ 814,016	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	437,694	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	368,279	
Cash Working Capital Allowance	2,580,444	227,197
Subtotal	3,686,266	227,197
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	122,564,184	-
Pollution Control Deferred Income Taxes	96,445,830	-
Pollution Control Deferred Investment Tax Credit	27,031,491	
Subtotal	246,041,505	-
Environmental Compliance Rate Base	\$ 1,242,892,839	\$ 19,986,822

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,074,115	\$ 896,992
Monthly Depreciation & Amortization Expense	4,096,425	-
Monthly Taxes Other Than Income Taxes	169,695	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	12,531	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	7,670	
Monthly Surcharge Consultant Fee		1,993
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,347,905	\$ 901,392

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	48,446	50,597	(2,152)
Total Proceeds from Sales	\$ 48,446	\$ 50,597	\$ (2,152)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 1/31/2012	(7) Deferred Tax Balance as of 1/31/2012	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 93,440.95	\$ -	\$ 741,605	\$ -	\$ 94,086	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,469,186.58	\$ 2,783,797	\$ 34,969,839	\$ -	\$ 4,161,877	\$ 75,401	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,076,601,003	\$ 113,329,946.92	\$ 5,732,038	\$ 969,003,093	\$ -	\$ 88,086,605	\$ 3,322,564	\$ 121,502
Subtotal	\$ 1,112,091,277	\$ 115,892,574	\$ 8,515,834	\$ 1,004,714,537	\$ -	\$ 92,342,568	\$ 3,399,907	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,107,348,721	\$ 113,640,504	\$ 8,515,834	\$ 1,002,224,051	\$ -	\$ 91,498,339	\$ 3,391,099	\$ 125,652
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 8,099,084.66	\$ 3,154,245	\$ 180,167,119	\$ 27,031,491	\$ 3,375,517	\$ 650,175	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 929,661.76	\$ -	\$ 12,025,171	\$ -	\$ 1,307,435	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 147,421.90	\$ -	\$ 884,531	\$ -	\$ 76,184	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 118,336.47	\$ -	\$ 1,230,829	\$ -	\$ 59,596	\$ 3,376	\$ 154
Subtotal	\$ 200,447,910	\$ 9,294,505	\$ 3,154,245	\$ 194,307,650	\$ 27,031,491	\$ 4,818,733	\$ 687,046	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 8,894,560	\$ 3,154,245	\$ 194,258,749	\$ 27,031,491	\$ 4,804,736	\$ 685,912	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 59,747,142	\$ 59,747,142	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 14,932,369	\$ 14,932,369	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 77,886,411	\$ 77,886,411	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 29,120	\$ (63,054)	\$ 9,010,295	\$ -	\$ 142,756	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 3,221,263	\$ 3,221,263	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 1,403,614	\$ 1,403,614	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 29,120	\$ 157,127,745	\$ 166,201,094	\$ -	\$ 142,756	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 29,120	\$ 157,127,745	\$ 166,201,094	\$ -	\$ 142,756	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,316,450,254	\$ 122,564,184	\$ 168,797,824	\$ 1,362,683,894	\$ 27,031,491	\$ 96,445,830	\$ 4,096,425	\$ 169,695

KENTUCKY UTILITIES 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	Unamortized ITC as of 1/31/2012	Deferred Tax Balance as of 1/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,297,359	\$ 14,297,359	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 74,000	\$ 74,000	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 5,388,266	\$ 5,388,266	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 19,759,625	\$ 19,759,625	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 19,759,625	\$ 19,759,625	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,316,450,254	\$ 122,564,184	\$ 188,557,449	\$ 1,382,443,518	\$ 27,031,491	\$ 96,445,830	\$ 4,096,425	\$ 172,102

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: January 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	218,317	13,887	9,945	\$ 434,172.82	\$ -	\$ 3,758.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2040	697,815						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	224,618	0	6,301	0	0	218,317	
Dollars	\$ 446,703.79	\$ -	\$ 12,530.97	\$ -	\$ -	\$ 434,172.82	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	224,618	-	6,301	-	-	218,317	Beginning inventory includes 77,535 2012 vintage allowances
Dollars	\$ 446,703.79	\$ -	\$ 12,530.97	\$ -	\$ -	\$ 434,172.82	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,945	0	0	0	0	9,945	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	-	-	-	9,644	Beginning inventory includes 6,588 2012 vintage allowances
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	-	-	301	Beginning inventory includes 95 2012 vintage allowances
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15,160	0	1,273	0	0	13,887	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,025	-	1,271	-	-	13,754	Beginning inventory includes 15,024 2012 vintage allowances
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	135	0	2	0	0	133	Beginning inventory includes 134 2012 vintage allowances
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES 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	\$ 1,839,149	
10th Previous Month	1,628,590	
9th Previous Month	1,592,835	
8th Previous Month	1,790,381	
7th Previous Month	2,005,186	
6th Previous Month	1,865,556	
5th Previous Month	2,435,952	
4th Previous Month	1,788,869	
3rd Previous Month	1,589,445	
2nd Previous Month	1,970,117	
Previous Month	1,063,355	920,585
Current Month	1,074,115	896,992
Total 12 Month O&M	\$ 20,643,550	\$ 1,817,577

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	20,643,550	\$ 1,817,577
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,580,444	\$ 227,197

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	43,251.54	331,806.31				375,057.85
512055 - ECR Scrubber Maintenance	77,565.93	238,914.11				316,480.04
Total 2005 Plan O&M Expenses	120,817.47	570,720.42				691,537.89
2006 Plan						
506159 - ECR Sorbent Injection Operation					11,005.18	11,005.18
506152 - ECR Sorbent Reactant - Reagent Only					40,252.56	40,252.56
512152 - ECR Sorbent Injection Maintenance					654.83	654.83
506150 - ECR Mercury Monitors Operation	(332.12)	(996.36)	(86.64)	(28.88)	(99.49)	-1,543.49
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					86,312.08	86,312.08
506155 - ECR NOx Operation -- Labor and Other					3,326.84	3,326.84
512151 - ECR NOx Maintenance					2,735.32	2,735.32
502056 - ECR Scrubber Operations					70,515.21	70,515.21
512055 - ECR Scrubber Maintenance					36,100.80	36,100.80
506051 - ECR Precipitator Operation					6,327.63	6,327.63
506151 - ECR Activated Carbon					125,720.30	125,720.30
512051 - ECR Precipitator Maintenance					1,169.43	1,169.43
Total 2006 Plan O&M Expenses	(332)	-996.36	(87)	(29)	384,020.69	382,576.69
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	120,485.35	569,724.06	(86.64)	(28.88)	384,020.69	1,074,114.58
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	22,808.70				22,808.70
506152 - ECR Sorbent Reactant - Reagent Only	(7,003)	878,146.46				871,143.18
512152 - ECR Sorbent Injection Maintenance	-	3,040.35				3,040.35
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	(7,003.28)	903,995.51				896,992.23
Current Month O&M Expense for All Plans	113,482.07	1,473,719.57	(86.64)	(28.88)	384,020.69	1,971,106.81

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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)	(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)	
Feb-11	\$ 32,635,322	\$ 18,969,026	\$ 1,088,872	\$ 1,623,831	\$ 1,396,963	\$ 55,714,014	\$ 54,317,051	
Mar-11	27,450,296	15,266,098	(3,093)	1,299,831	52,404	44,065,538	44,013,133	
Apr-11	23,497,876	12,598,013	(77,729)	954,628	924,135	37,896,924	36,972,789	
May-11	20,385,022	10,436,993	(223,356)	785,163	846,707	32,230,529	31,383,822	
Jun-11	25,633,377	13,896,895	147,165	917,307	1,406,254	42,000,998	40,594,743	
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661	
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557	
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696	
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875	
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310	
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204	
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,429	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,768,106	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,753,858	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.50%	

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	\$ 34,402,849	\$ 26,240,417	\$ 1,346,151	\$ 282,180	\$ 1,629,246	\$ 63,900,843	\$ 62,271,597	\$ 34,685,029
Mar-11	34,720,057	26,639,771	48,268	268,703	117,396	61,794,195	61,676,800	34,988,760
Apr-11	33,345,481	25,406,117	(151,000)	309,088	1,436,350	60,346,036	58,909,686	33,654,569
May-11	35,548,343	25,265,360	(518,887)	302,065	1,625,026	62,221,907	60,596,881	35,850,408
Jun-11	38,641,173	28,143,767	234,618	354,204	2,292,913	69,666,675	67,373,762	38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 63,985,752	\$ 36,566,487
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,753,858	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.50%	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 109,697,793	\$ 109,697,793
(2) Fuel Adjustment Clause	\$ (1,012,204)	\$ (1,012,204)
(3) DSM	\$ 1,599,665	\$ 1,599,665
(4) Environmental Surcharge		\$ 5,588,609
(5) CSR Credits		\$ (46,844)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 110,285,253	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 965	\$ 965
(8) Virginia Retail	\$ 8,836,055	\$ 8,836,055
(9) Wholesale	\$ 8,358,935	\$ 8,358,935
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,649,618	\$ 2,649,618
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 19,845,574	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 130,130,828	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	84.75%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 1,580,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 276,708
(18) Total Company Revenues per Income Statement =		\$ 137,529,301



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MAR 19 2012

PUBLIC SERVICE COMMISSION

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

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

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

March 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2012

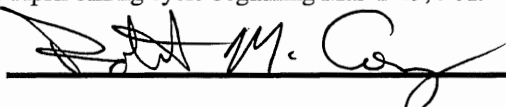
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	940,298
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.28%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,467,020
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		3.99%

Effective Date for Billing: April billing cycle beginning March 29, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: March 19, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 2012

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR) / (1 - TR))] + OE - BAS + BR$, 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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,244,978,286	\$ 20,805,672
(2) RB / 12	= \$	103,748,191	\$ 1,733,806
(3) $(ROR + (ROR - DR) / (1 - TR))$	=	10.56%	10.13%
(4) OE	= \$	5,364,694	\$ 631,013
(5) BAS	= \$	11,946	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	16,308,557	\$ 806,648
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,115,205	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.48%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	14,972,381
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,811)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,968,252
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	2,407,318

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	=	39.06%	60.94%
(16) Group E(m) [(14) x (15)]	= \$	940,298	\$ 1,467,020
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,174,967	\$ 36,741,226
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.28%	3.99%

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,316,450,254	\$ -
Eligible Pollution CWIP Excluding AFUDC	178,610,919	20,499,899
Subtotal	\$ 1,495,061,173	\$ 20,499,899
Additions:		
Inventory - Limestone	\$ 923,835	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	425,825	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	356,410	
Cash Working Capital Allowance	2,486,996	305,773
Subtotal	3,690,768	305,773
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	126,670,551	-
Pollution Control Deferred Income Taxes	100,381,962	-
Pollution Control Deferred Investment Tax Credit	26,721,142	
Subtotal	253,773,655	-
Environmental Compliance Rate Base	\$ 1,244,978,286	\$ 20,805,672

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,091,566	\$ 628,606
Monthly Depreciation & Amortization Expense	4,096,425	-
Monthly Taxes Other Than Income Taxes	169,695	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,869	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	7,008	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,364,694	\$ 631,013

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	62,543	50,597	11,946
Total Proceeds from Sales	\$ 62,543	\$ 50,597	\$ 11,946

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: February 29, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	84,084.36	41,150.00	0.00	34,525.00	90,709.36	
Dollars	\$ 786,976.71	\$ 397,565.14	\$ -	\$ 327,729.22	\$ 856,812.63	
\$/Ton	\$ 9.36	\$ 9.66		\$9.49	\$9.45	
At E.W. Brown:						
Tons	2,013.05	9,071.15	0.00	5,647.00	5,437.20	
Dollars	\$ 27,039.59	\$ 109,851.62	\$ -	\$ 69,868.71	\$ 67,022.50	
\$/Ton	\$ 13.43	\$ 12.11		\$12.37	\$ 12.33	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 847,361.79

KENTUCKY UTILITIES 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	Unamortized ITC as of 2/29/2012	Deferred Tax Balance as of 2/29/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 95,382.43	\$ -	\$ 739,663	\$ -	\$ 95,565	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 34,655,229	\$ 2,544,587.78	\$ 2,783,797	\$ 34,894,438	\$ -	\$ 4,294,898	\$ 75,401	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,076,601,003	\$ 116,652,510.99	\$ 5,854,880	\$ 965,803,372	\$ -	\$ 91,526,585	\$ 3,322,564	\$ 121,502
Subtotal	\$ 1,112,091,277	\$ 119,292,481	\$ 8,638,677	\$ 1,001,437,473	\$ -	\$ 95,917,049	\$ 3,399,907	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (4,742,557)	\$ (2,252,070)	\$ -	\$ (2,490,487)	\$ -	\$ (844,229)	\$ (8,808)	\$ (323)
Net Total - 2005 Plan:	\$ 1,107,348,721	\$ 117,040,411	\$ 8,638,677	\$ 998,946,986	\$ -	\$ 95,072,820	\$ 3,391,099	\$ 125,652
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 185,111,959	\$ 8,749,259.30	\$ 3,148,755	\$ 179,511,454	\$ 26,721,142	\$ 3,681,962	\$ 650,175	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 959,733.29	\$ -	\$ 11,995,100	\$ -	\$ 1,346,395	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 150,845.79	\$ -	\$ 881,107	\$ -	\$ 77,357	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 121,712.45	\$ -	\$ 1,227,453	\$ -	\$ 60,919	\$ 3,376	\$ 154
Subtotal	\$ 200,447,910	\$ 9,981,551	\$ 3,148,755	\$ 193,615,114	\$ 26,721,142	\$ 5,166,634	\$ 687,046	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 199,999,064	\$ 9,581,606	\$ 3,148,755	\$ 193,566,213	\$ 26,721,142	\$ 5,152,637	\$ 685,912	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 64,942,996	\$ 64,942,996	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,145,129	\$ 15,145,129	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 80,718,953	\$ 80,718,953	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 48,534	\$ (26,103)	\$ 9,027,832	\$ -	\$ 156,505	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 3,993,731	\$ 3,993,731	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 2,048,781	\$ 2,048,781	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 48,534	\$ 166,823,487	\$ 175,877,422	\$ -	\$ 156,505	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 48,534	\$ 166,823,487	\$ 175,877,422	\$ -	\$ 156,505	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,316,450,254	\$ 126,670,551	\$ 178,610,919	\$ 1,368,390,622	\$ 26,721,142	\$ 100,381,962	\$ 4,096,425	\$ 169,695

KENTUCKY UTILITIES 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	Unamortized ITC as of 2/29/2012	Deferred Tax Balance as of 2/29/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,564,855	\$ 14,564,855	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 118,782	\$ 118,782	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 5,816,262	\$ 5,816,262	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 20,499,899	\$ 20,499,899	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 20,499,899	\$ 20,499,899	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,316,450,254	\$ 126,670,551	\$ 199,110,817	\$ 1,388,890,520	\$ 26,721,142	\$ 100,381,962	\$ 4,096,425	\$ 172,102

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: February 29, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	212,349	12,626	9,945	\$ 422,304.10	\$ -	\$ 3,758.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	218,317	0	5,968	0	0	212,349	
Dollars	\$ 434,172.82	\$ -	\$ 11,868.72	\$ -	\$ -	\$ 422,304.10	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	218,317	-	5,968	-	-	212,349	
Dollars	\$ 434,172.82	\$ -	\$ 11,868.72	\$ -	\$ -	\$ 422,304.10	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of February 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,945	0	0	0	0	9,945	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	-	-	-	9,644	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	-	-	301	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of February 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	13,887	0	1,261	0	0	12,626	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,754	-	1,261	-	-	12,493	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	0	0	0	0	133	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 29, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,628,590	
10th Previous Month	1,592,835	
9th Previous Month	1,790,381	
8th Previous Month	2,005,186	
7th Previous Month	1,865,556	
6th Previous Month	2,435,952	
5th Previous Month	1,788,869	
4th Previous Month	1,589,445	
3rd Previous Month	1,970,117	
2nd Previous Month	1,063,355	920,585
Previous Month	1,074,115	896,992
Current Month	1,091,566	628,606
Total 12 Month O&M	\$ 19,895,967	\$ 2,446,183

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	19,895,967	\$ 2,446,183
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,486,996	\$ 305,773

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 29, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	69,868.71	224,908.06				294,776.77
512055 - ECR Scrubber Maintenance	42,249.14	286,602.21				328,851.35
Total 2005 Plan O&M Expenses	112,117.85	511,510.27				623,628.12
2006 Plan						
506159 - ECR Sorbent Injection Operation					5,207.38	5,207.38
506152 - ECR Sorbent Reactant - Reagent Only					45,886.92	45,886.92
512152 - ECR Sorbent Injection Maintenance					10,668.30	10,668.30
506150 - ECR Mercury Monitors Operation	3,467.48	6,102.44	64.56	21.52	1,782.26	11,438.26
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					92,105.73	92,105.73
506155 - ECR NOx Operation -- Labor and Other					3,262.90	3,262.90
512151 - ECR NOx Maintenance					6,118.18	6,118.18
502056 - ECR Scrubber Operations					96,458.78	96,458.78
512055 - ECR Scrubber Maintenance					50,525.68	50,525.68
506051 - ECR Precipitator Operation					7,556.32	7,556.32
506151 - ECR Activated Carbon					128,153.34	128,153.34
512051 - ECR Precipitator Maintenance					10,556.58	10,556.58
Total 2006 Plan O&M Expenses	3,467.48	6,102.44	64.56	21.52	458,282.37	467,938.37
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	115,585.33	517,612.71	64.56	21.52	458,282.37	1,091,566.49
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	20,973.14				20,973.14
506152 - ECR Sorbent Reactant - Reagent Only	-	588,635.09				588,635.09
512152 - ECR Sorbent Injection Maintenance	-	18,998.15				18,998.15
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	628,606.38				628,606.38
Current Month O&M Expense for All Plans	115,585.33	1,146,219.09	64.56	21.52	458,282.37	1,720,172.87

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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)	(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)
Mar-11	\$ 27,450,296	\$ 15,266,098	\$ (3,093)	\$ 1,299,831	\$ 52,404	\$ 44,065,538	\$ 44,013,133
Apr-11	23,497,876	12,598,013	(77,729)	954,628	924,135	37,896,924	36,972,789
May-11	20,385,022	10,436,993	(223,356)	785,163	846,707	32,230,529	31,383,822
Jun-11	25,633,377	13,896,895	147,165	917,307	1,406,254	42,000,998	40,594,743
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,392
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,174,967
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,423,640
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.06%

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	\$ 34,720,057	\$ 26,639,771	\$ 48,268	\$ 268,703	\$ 117,396	\$ 61,794,195	\$ 61,676,800	\$ 34,988,760
Apr-11	33,345,481	25,406,117	(151,000)	309,088	1,436,350	60,346,036	58,909,686	33,654,569
May-11	35,548,343	25,265,360	(518,887)	302,065	1,625,026	62,221,907	60,596,881	35,850,408
Jun-11	38,641,173	28,143,767	234,618	354,204	2,292,913	69,666,675	67,373,762	38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,248,672	\$ 36,741,226
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,423,640	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.94%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 29, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 111,832,749	\$ 111,832,749
(2) Fuel Adjustment Clause	\$ (632,061)	\$ (632,061)
(3) DSM	\$ 1,425,347	\$ 1,425,347
(4) Environmental Surcharge		\$ 4,527,378
(5) CSR Credits		\$ (1,951,776)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 112,626,035	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 735	\$ 735
(8) Virginia Retail	\$ 7,892,170	\$ 7,892,170
(9) Wholesale	\$ 7,819,270	\$ 7,819,270
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 408,013	\$ 408,013
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,120,188	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 128,746,223	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.48%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (9,886,000)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 4,871,189
(18) Total Company Revenues per Income Statement =		\$ 126,307,014



a PPL company

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

April 20, 2012

RECEIVED

APR 20 2012

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU 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,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2012**

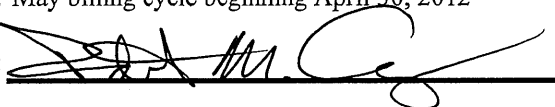
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	840,179
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.05%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,315,231
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		3.58%

Effective Date for Billing: May billing cycle beginning April 30, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: April 20, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,248,378,620	\$ 22,921,881
(2) RB / 12	= \$	104,031,552	\$ 1,910,157
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,516,465	\$ 813,019
(5) BAS	= \$	(272,586)	Not Applicable
(6) BR	= \$	5,524	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	16,780,307	\$ 1,006,518
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,786,825	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.24%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,517,226
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,811)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	12,765,005
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	2,155,410

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	=	38.98%	61.02%
(16) Group E(m) [(14) x (15)]	= \$	840,179	\$ 1,315,231
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	40,983,486	\$ 36,744,733
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.05%	3.58%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,313,355,220		\$ -	
Eligible Pollution CWIP Excluding AFUDC	180,494,800		22,514,782	
Subtotal		\$ 1,493,850,020		\$ 22,514,782
Additions:				
Inventory - Limestone	\$ 1,032,932			
Less: Limestone Inventory in base rates	76,473			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	415,257			
Less: Allowance Inventory Baseline	69,415			
Net Emission Allowance Inventory	345,842			
Cash Working Capital Allowance	2,446,052		407,099	
Subtotal		3,748,353		407,099
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	120,858,671		-	
Pollution Control Deferred Income Taxes	101,950,287		-	
Pollution Control Deferred Investment Tax Credit	26,410,795			
Subtotal		249,219,753		-
Environmental Compliance Rate Base		\$ 1,248,378,620		\$ 22,921,881

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,295,518	\$ 810,612
Monthly Depreciation & Amortization Expense	4,046,071	-
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,568	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,707	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,516,465	\$ 813,019

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 5,524
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 5,524

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 887	\$ 286,166	\$ (285,279)
Scrubber By-Products Sales	63,290	50,597	12,693
Total Proceeds from Sales	\$ 64,177	\$ 336,763	\$ (272,586)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: March 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	90,709.36	44,323.00	0.00	27,948.00	107,084.36	
Dollars	\$ 856,812.63	\$ 405,504.78	\$ -	\$ 263,100.68	\$ 999,216.73	
\$/Ton	\$ 9.45	\$ 9.15		\$9.41	\$9.33	
At E.W. Brown:						
Tons	5,437.20	3,248.06	0.00	5,932.00	2,753.26	
Dollars	\$ 67,022.50	\$ 39,334.00	\$ -	\$ 72,641.10	\$ 33,715.40	
\$/Ton	\$ 12.33	\$ 12.11		\$12.25	\$ 12.25	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 956,458.79

KENTUCKY UTILITIES 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	Unamortized ITC as of 3/31/2012	Deferred Tax Balance as of 3/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 97,323.91	\$ -	\$ 737,722	\$ -	\$ 97,045	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 2,623,526.65	\$ -	\$ 34,815,497	\$ -	\$ 4,430,605	\$ 78,939	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,081,209,025	\$ 119,947,492.24	\$ 1,370,221	\$ 962,631,754	\$ -	\$ 94,084,571	\$ 3,294,981	\$ 121,502
Subtotal	\$ 1,119,483,095	\$ 122,668,343	\$ 1,370,221	\$ 998,184,973	\$ -	\$ 98,612,221	\$ 3,375,862	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,947,319	\$ 110,516,667	\$ 1,370,221	\$ 991,800,872	\$ -	\$ 96,263,517	\$ 3,335,341	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 188,418,327	\$ 9,404,838.69	\$ -	\$ 179,013,488	\$ 26,410,795	\$ 4,004,384	\$ 655,579	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 989,804.82	\$ -	\$ 11,965,028	\$ -	\$ 1,385,355	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 154,269.68	\$ -	\$ 877,683	\$ -	\$ 78,530	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 125,088.43	\$ -	\$ 1,224,077	\$ -	\$ 62,243	\$ 3,376	\$ 154
Subtotal	\$ 203,754,278	\$ 10,674,002	\$ -	\$ 193,080,277	\$ 26,410,795	\$ 5,530,513	\$ 692,451	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 203,305,432	\$ 10,274,057	\$ -	\$ 193,031,376	\$ 26,410,795	\$ 5,516,516	\$ 691,317	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 67,369,555	\$ 67,369,555	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,198,194	\$ 15,198,194	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 89,712,061	\$ 89,712,061	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 67,947	\$ (74,590)	\$ 8,959,932	\$ -	\$ 170,254	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 4,421,426	\$ 4,421,426	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 2,497,932	\$ 2,497,932	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 67,947	\$ 179,124,579	\$ 188,159,100	\$ -	\$ 170,254	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 67,947	\$ 179,124,579	\$ 188,159,100	\$ -	\$ 170,254	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,313,355,220	\$ 120,858,671	\$ 180,494,800	\$ 1,372,991,349	\$ 26,410,795	\$ 101,950,287	\$ 4,046,071	\$ 169,169

KENTUCKY UTILITIES 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	Unamortized ITC as of 3/31/2012	Deferred Tax Balance as of 3/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,604,359	\$ 14,604,359	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 141,089	\$ 141,089	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 7,769,335	\$ 7,769,335	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 22,514,782	\$ 22,514,782	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 22,514,782	\$ 22,514,782	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,313,355,220	\$ 120,858,671	\$ 203,009,582	\$ 1,395,506,131	\$ 26,410,795	\$ 101,950,287	\$ 4,046,071	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: March 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	207,035	11,478	9,945	\$ 411,736.00	\$ -	\$ 3,758.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES 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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	212,349	0	5,314	0	0	207,035	
Dollars	\$ 422,304.10	\$ -	\$ 10,568.10	\$ -	\$ -	\$ 411,736.00	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	212,349	-	5,314	-	-	207,035	
Dollars	\$ 422,304.10	\$ -	\$ 10,568.10	\$ -	\$ -	\$ 411,736.00	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,945	0	0	0	0	9,945	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	-	-	-	9,644	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	-	-	301	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
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
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,626	0	1,143	5	0	11,478	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,493	-	1,143	-	-	11,350	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	0	0	5	0	128	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,592,835	
10th Previous Month	1,790,381	
9th Previous Month	2,005,186	
8th Previous Month	1,865,556	
7th Previous Month	2,435,952	
6th Previous Month	1,788,869	
5th Previous Month	1,589,445	
4th Previous Month	1,970,117	
3rd Previous Month	1,063,355	920,585
2nd Previous Month	1,074,115	896,992
Previous Month	1,091,566	628,606
Current Month	1,301,042	810,612
Total 12 Month O&M	\$ 19,568,419	\$ 3,256,795

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	19,568,419	\$ 3,256,795
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,446,052	\$ 407,099

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	72,641.10	187,527.39				260,168.49
512055 - ECR Scrubber Maintenance	99,408.39	633,923.00				733,331.39
Total 2005 Plan O&M Expenses	172,049.49	821,450.39				993,499.88
2006 Plan						
506159 - ECR Sorbent Injection Operation					8,171.85	8,171.85
506152 - ECR Sorbent Reactant --Reagent Only					33,498.23	33,498.23
512152 - ECR Sorbent Injection Maintenance					807.85	807.85
506150 - ECR Mercury Monitors Operation	1,213.80	3,289.43	224.82	74.94	1,318.21	6,121.20
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					53,917.79	53,917.79
506155 - ECR NOx Operation -- Labor and Other					3,614.87	3,614.87
512151 - ECR NOx Maintenance					3,880.34	3,880.34
502056 - ECR Scrubber Operations					44,166.63	44,166.63
512055 - ECR Scrubber Maintenance					(3,859.93)	-3,859.93
506051 - ECR Precipitator Operation					10,946.01	10,946.01
506151 - ECR Activated Carbon					112,868.65	112,868.65
512051 - ECR Precipitator Maintenance					27,884.22	27,884.22
Total 2006 Plan O&M Expenses	1,213.80	3,289.43	224.82	74.94	297,214.72	302,017.71
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	173,263.29	824,739.82	224.82	74.94	297,214.72	1,295,517.59
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	31,886.88				31,886.88
506152 - ECR Sorbent Reactant - Reagent Only	-	772,295.05				772,295.05
512152 - ECR Sorbent Injection Maintenance	-	6,429.96				6,429.96
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	810,611.89				810,611.89
Current Month O&M Expense for All Plans						
	173,263.29	1,635,351.71	224.82	74.94	297,214.72	2,106,129.48

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: March 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah Inc.	501253 - ECR Fly Ash Disposal	Trimble County	5,524.20
Total Monthly Beneficial Reuse Expense			\$ 5,524.20
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 5,524.20

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 5,524.20	\$ 5,524.20
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 5,524.20	\$ 5,524.20
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)]	\$ -	\$ -	\$ -	\$ -	\$ 5,524.20	\$ 5,524.20
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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 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)	Total Excluding Environmental Surcharge (7)-(6)
Apr-11	\$ 23,497,876	\$ 12,598,013	\$ (77,729)	\$ -954,628	\$ 924,135	\$ 37,896,924	\$ 36,972,789
May-11	20,385,022	10,436,993	(223,356)	785,163	846,707	32,230,529	31,383,822
Jun-11	25,633,377	13,896,895	147,165	917,307	1,406,254	42,000,998	40,594,743
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	32,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 40,983,486
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,145,369
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.98%

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)
Apr-11	\$ 33,345,481	\$ 25,406,117	\$ (151,000)	\$ 309,088	\$ 1,436,350	\$ 60,346,036	\$ 58,909,686	\$ 33,654,569
May-11	35,548,343	25,265,360	(518,887)	302,065	1,625,026	62,221,907	60,596,881	35,850,408
Jun-11	38,641,173	28,143,767	234,618	354,204	2,292,913	69,666,675	67,373,762	38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,161,882	\$ 36,744,733
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,145,369	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.02%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 101,298,360	\$ 101,298,360
(2) Fuel Adjustment Clause	\$ (160,840)	\$ (160,840)
(3) DSM	\$ 1,213,159	\$ 1,213,159
(4) Environmental Surcharge		\$ 2,508,559
(5) CSR Credits		\$ (988,585)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 102,350,679	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 456	\$ 456
(8) Virginia Retail	\$ 7,048,073	\$ 7,048,073
(9) Wholesale	\$ 7,357,757	\$ 7,357,757
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 557,230	\$ 557,230
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,963,516	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 117,314,195	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.24%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (4,754,443)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,028,152
(18) Total Company Revenues per Income Statement =		\$ 116,107,878



a PPL company

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

Kentucky Utilities 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
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RECEIVED

MAY 21 2012

PUBLIC SERVICE
COMMISSION

May 21, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June 2012 billing cycle which begins May 31, 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2012

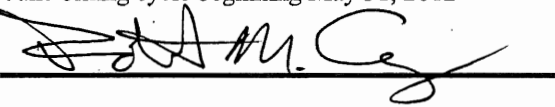
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,295,234
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		3.19%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,056,822
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		5.58%

Effective Date for Billing: June billing cycle beginning May 31, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: May 21, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

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-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,253,579,055	\$ 26,890,090
(2) RB / 12	= \$	104,464,921	\$ 2,240,841
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,594,441	\$ 658,397
(5) BAS	= \$	8,871	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 16,617,066	\$ 885,394
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,502,460	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.74%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,356,658
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,811)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,407,791
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	3,352,056

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	=	38.64%	61.36%
(16) Group E(m) [(14) x (15)]	= \$	1,295,234	\$ 2,056,822
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	40,541,313	\$ 36,864,940
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	3.19%	5.58%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,312,906,485	\$ -
Eligible Pollution CWIP Excluding AFUDC	193,696,802	26,400,992
Subtotal	\$ 1,506,603,287	\$ 26,400,992
Additions:		
Inventory - Limestone	\$ 1,254,511	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	407,284	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	337,869	
Cash Working Capital Allowance	2,421,470	489,098
Subtotal	3,937,377	489,098
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	124,860,463	-
Pollution Control Deferred Income Taxes	105,538,103	-
Pollution Control Deferred Investment Tax Credit	26,563,043	
Subtotal	256,961,609	-
Environmental Compliance Rate Base	\$ 1,253,579,055	\$ 26,890,090

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,396,178	\$ 655,990
Monthly Depreciation & Amortization Expense	4,025,983	-
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	7,973	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	3,111	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,594,441	\$ 658,397

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	59,468	50,597	8,871
Total Proceeds from Sales	\$ 59,468	\$ 50,597	\$ 8,871

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: April 30, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	107,084.36	39,559.00	0.00	20,111.00	126,532.36	
Dollars	\$ 999,216.73	\$ 367,179.81	\$ -	\$ 188,174.31	\$ 1,178,222.23	
\$/Ton	\$ 9.33	\$ 9.28		\$9.36	\$9.31	
At E.W. Brown:						
Tons	2,753.26	11,191.52	0.00	7,659.00	6,285.78	
Dollars	\$ 33,715.40	\$ 135,529.30	\$ -	\$ 92,955.60	\$ 76,289.10	
\$/Ton	\$ 12.25	\$ 12.11		\$12.14	\$ 12.14	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,178,037.99

KENTUCKY UTILITIES 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	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 4/30/2012	Deferred Tax Balance as of 4/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 99,265.39	\$ -	\$ 735,781	\$ -	\$ 98,524	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 2,706,003.20	\$ -	\$ 34,733,021	\$ -	\$ 4,564,935	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 123,147,597.31	\$ 1,171,911	\$ 958,784,605	\$ -	\$ 97,165,486	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 125,952,866	\$ 1,171,911	\$ 994,253,406	\$ -	\$ 101,828,945	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 113,801,190	\$ 1,171,911	\$ 987,869,305	\$ -	\$ 99,480,241	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 188,418,327	\$ 10,065,822.83	\$ 1,533,475	\$ 179,885,980	\$ 26,563,043	\$ 4,320,270	\$ 660,984	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,019,876.35	\$ -	\$ 11,934,957	\$ -	\$ 1,424,315	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 157,693.57	\$ -	\$ 874,259	\$ -	\$ 79,703	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 128,464.41	\$ -	\$ 1,220,701	\$ -	\$ 63,566	\$ 3,376	\$ 154
Subtotal	\$ 203,754,278	\$ 11,371,857	\$ 1,533,475	\$ 193,915,897	\$ 26,563,043	\$ 5,887,855	\$ 697,856	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 203,305,432	\$ 10,971,912	\$ 1,533,475	\$ 193,866,996	\$ 26,563,043	\$ 5,873,858	\$ 696,722	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 72,153,388	\$ 72,153,388	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,385,678	\$ 15,385,678	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 96,511,418	\$ 96,511,418	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 87,361	\$ (56,734)	\$ 8,958,374	\$ -	\$ 184,004	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 4,488,444	\$ 4,488,444	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 2,509,223	\$ 2,509,223	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 87,361	\$ 190,991,416	\$ 200,006,524	\$ -	\$ 184,004	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 87,361	\$ 190,991,416	\$ 200,006,524	\$ -	\$ 184,004	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,312,906,485	\$ 124,860,463	\$ 193,696,802	\$ 1,381,742,825	\$ 26,563,043	\$ 105,538,103	\$ 4,025,983	\$ 169,169

KENTUCKY UTILITIES 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	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 4/30/2012	Deferred Tax Balance as of 4/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 14,721,695	\$ 14,721,695	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 197,100	\$ 197,100	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 11,482,197	\$ 11,482,197	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 26,400,992	\$ 26,400,992	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 26,400,992	\$ 26,400,992	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,312,906,485	\$ 124,860,463	\$ 220,097,794	\$ 1,408,143,817	\$ 26,563,043	\$ 105,538,103	\$ 4,025,983	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: April 30, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	203,026	10,652	9,945	\$ 403,763.20	\$ -	\$ 3,758.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	207,035	0	4,009	0	0	203,026	
Dollars	\$ 411,736.00	\$ -	\$ 7,972.80	\$ -	\$ -	\$ 403,763.20	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	207,035	-	4,009	-	-	203,026	
Dollars	\$ 411,736.00	\$ -	\$ 7,972.80	\$ -	\$ -	\$ 403,763.20	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of April 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,945	0	0	0	0	9,945	
Dollars	\$ 3,758.53	\$ -	\$ -	\$ -	\$ -	\$ 3,758.53	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	-	-	-	9,644	
Dollars	\$ 3,521.18	\$ -	\$ -	\$ -	\$ -	\$ 3,521.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	-	-	301	
Dollars	\$ 237.35	\$ -	\$ -	\$ -	\$ -	\$ 237.35	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of April 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,478	0	816	10	0	10,652	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	11,350	-	816	-	-	10,534	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	128	0	0	10	0	118	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,790,381	
10th Previous Month	2,005,186	
9th Previous Month	1,865,556	
8th Previous Month	2,435,952	
7th Previous Month	1,788,869	
6th Previous Month	1,589,445	
5th Previous Month	1,970,117	
4th Previous Month	1,063,355	920,585
3rd Previous Month	1,074,115	896,992
2nd Previous Month	1,091,566	628,606
Previous Month	1,301,042	810,612
Current Month	1,396,178	655,990
Total 12 Month O&M	\$ 19,371,762	\$ 3,912,786

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	19,371,762	\$ 3,912,786
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,421,470	\$ 489,098

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	92,955.60	188,174.31				281,129.91
512055 - ECR Scrubber Maintenance	96,179.85	816,522.88				912,702.73
Total 2005 Plan O&M Expenses	189,135.45	1,004,697.19				1,193,832.64
2006 Plan						
506159 - ECR Sorbent Injection Operation					5,911.41	5,911.41
506152 - ECR Sorbent Reactant - Reagent Only					-	0.00
512152 - ECR Sorbent Injection Maintenance					7,328.64	7,328.64
506150 - ECR Mercury Monitors Operation	1,857.23	4,415.29	(34.74)	(11.58)	684.54	6,910.74
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					-	0.00
506155 - ECR NOx Operation -- Labor and Other					4,525.25	4,525.25
512151 - ECR NOx Maintenance					3,806.89	3,806.89
502056 - ECR Scrubber Operations					-	0.00
512055 - ECR Scrubber Maintenance					119,475.01	119,475.01
506051 - ECR Precipitator Operation					7,505.16	7,505.16
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					46,882.58	46,882.58
Total 2006 Plan O&M Expenses	1,857.23	4,415.29	(34.74)	(11.58)	196,119.48	202,345.68
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	190,992.68	1,009,112.48	(34.74)	(11.58)	196,119.48	1,396,178.32
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	26,643.64				26,643.64
506152 - ECR Sorbent Reactant - Reagent Only	-	627,856.13				627,856.13
512152 - ECR Sorbent Injection Maintenance	-	1,490.71				1,490.71
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	655,990.48				655,990.48
Current Month O&M Expense for All Plans						
	190,992.68	1,665,102.96	(34.74)	(11.58)	196,119.48	2,052,168.80

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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 Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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 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)	Total Excluding Environmental Surcharge (7)-(6)
May-11	\$ 20,385,022	\$ 10,436,993	\$ (223,356)	\$ 785,163	\$ 846,707	\$ 32,230,529	\$ 31,383,822
Jun-11	25,633,377	13,896,895	147,165	917,307	1,406,254	42,000,998	40,594,743
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 40,541,313
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 104,915,740
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.64%

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)
May-11	\$ 35,548,343	\$ 25,265,360	\$ (518,887)	\$ 302,065	\$ 1,625,026	\$ 62,221,907	\$ 60,596,881	\$ 35,850,408
Jun-11	38,641,173	28,143,767	234,618	354,204	2,292,913	69,666,675	67,373,762	38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,374,427	\$ 36,864,940
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 104,915,740	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.36%	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 91,322,065	\$ 91,322,065
(2) Fuel Adjustment Clause	\$ 681,444	\$ 681,444
(3) DSM	\$ 1,123,419	\$ 1,123,419
(4) Environmental Surcharge		\$ 2,130,007
(5) CSR Credits		\$ (992,597)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 93,126,928	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 394	\$ 394
(8) Virginia Retail	\$ 5,545,455	\$ 5,545,455
(9) Wholesale	\$ 6,969,692	\$ 6,969,692
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 498,875	\$ 498,875
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,014,416	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 106,141,344	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.74%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (3,034,000)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 4,379,662
(18) Total Company Revenues per Income Statement =		\$ 108,624,417

RECEIVED

Conroy
JUN 19 2012

PUBLIC SERVICE
COMMISSION



a PPL company

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

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State Regulation and Rates
220 West Main Street
PO Box 32010
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Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

June 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July 2012 billing cycle which begins June 29, 2012.

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

Sincerely,

A handwritten signature in black ink that reads 'R. M. Conroy'.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2012**

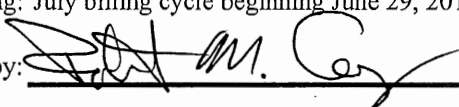
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,159,195
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.84%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,836,141
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		4.97%

Effective Date for Billing: July billing cycle beginning June 29, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: June 19, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

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

		Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,260,849,300	\$ 30,004,260
(2) RB / 12	= \$	105,070,775	\$ 2,500,355
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.56%	10.13%
(4) OE	= \$	5,203,684	\$ 861,021
(5) BAS	= \$	(5,484)	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	16,304,642	\$ 1,114,307
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,418,949	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.07%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,166,679
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,812)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,574,531
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	2,995,336

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	=	38.70%	61.30%
(16) Group E(m) [(14) x (15)]	= \$	1,159,195	\$ 1,836,141
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	40,745,948	\$ 36,920,749
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.84%	4.97%

KENTUCKY UTILITIES 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 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 1,312,906,485		\$ -	
Eligible Pollution CWIP Excluding AFUDC	209,582,226		29,407,835	
Subtotal		\$ 1,522,488,711		\$ 29,407,835
Additions:				
Inventory - Limestone	\$ 1,361,909			
Less: Limestone Inventory in base rates	76,473			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	398,638			
Less: Allowance Inventory Baseline	69,415			
Net Emission Allowance Inventory	329,223			
Cash Working Capital Allowance	2,323,251		596,425	
Subtotal		3,937,909		596,425
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	128,928,101		-	
Pollution Control Deferred Income Taxes	109,090,133		-	
Pollution Control Deferred Investment Tax Credit	27,559,086			
Subtotal		265,577,320		-
Environmental Compliance Rate Base		\$ 1,260,849,300		\$ 30,004,260

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,004,624	\$ 858,614
Monthly Depreciation & Amortization Expense	4,025,983	-
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,770	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	3,908	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,203,684	\$ 861,021

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	45,113	50,597	(5,484)
Total Proceeds from Sales	\$ 45,113	\$ 50,597	\$ (5,484)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: May 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	126,532.36	49,450.00	0.00	39,681.00	136,301.36	
Dollars	\$ 1,178,222.23	\$ 453,520.30	\$ -	\$ 369,489.67	\$ 1,262,252.86	
\$/Ton	\$ 9.31	\$ 9.17		\$9.31	\$9.26	
At E.W. Brown:						
Tons	6,285.78	13,486.65	0.00	11,549.00	8,223.43	
Dollars	\$ 76,289.10	\$ 163,323.33	\$ -	\$ 139,956.70	\$ 99,655.73	
\$/Ton	\$ 12.14	\$ 12.11		\$12.12	\$ 12.12	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,285,435.25

KENTUCKY UTILITIES 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	Unamortized ITC as of 5/31/2012	Deferred Tax Balance as of 5/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 101,206.87	\$ -	\$ 733,839	\$ -	\$ 100,003	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 2,788,479.75	\$ -	\$ 34,650,544	\$ -	\$ 4,699,266	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 126,413,548.57	\$ 1,265,858	\$ 955,612,601	\$ -	\$ 100,224,595	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 129,303,235	\$ 1,265,858	\$ 990,996,984	\$ -	\$ 105,023,864	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 117,151,559	\$ 1,265,858	\$ 984,612,883	\$ -	\$ 102,675,160	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 188,418,327	\$ 10,726,806.97	\$ 1,808,138	\$ 179,499,658	\$ 27,559,086	\$ 4,622,175	\$ 660,984	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,049,947.88	\$ -	\$ 11,904,885	\$ -	\$ 1,463,275	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 161,117.46	\$ -	\$ 870,836	\$ -	\$ 80,876	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 131,840.39	\$ -	\$ 1,217,325	\$ -	\$ 64,890	\$ 3,376	\$ 154
Subtotal	\$ 203,754,278	\$ 12,069,713	\$ 1,808,138	\$ 193,492,704	\$ 27,559,086	\$ 6,231,216	\$ 697,856	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 203,305,432	\$ 11,669,768	\$ 1,808,138	\$ 193,443,803	\$ 27,559,086	\$ 6,217,219	\$ 696,722	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 74,930,257	\$ 74,930,257	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,452,070	\$ 15,452,070	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 108,919,334	\$ 108,919,334	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 106,774	\$ (22,205)	\$ 8,973,490	\$ -	\$ 197,753	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 4,710,240	\$ 4,710,240	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 2,518,533	\$ 2,518,533	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 106,774	\$ 206,508,229	\$ 215,503,924	\$ -	\$ 197,753	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 106,774	\$ 206,508,229	\$ 215,503,924	\$ -	\$ 197,753	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,312,906,485	\$ 128,928,101	\$ 209,582,226	\$ 1,393,560,610	\$ 27,559,086	\$ 109,090,133	\$ 4,025,983	\$ 169,169

KENTUCKY UTILITIES 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	Unamortized ITC as of 5/31/2012	Deferred Tax Balance as of 5/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 15,509,496	\$ 15,509,496	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 292,133	\$ 292,133	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ -	\$ -	\$ 13,606,206	\$ 13,606,206	\$ -	\$ -	\$ -	\$ 618
Subtotal	\$ -	\$ -	\$ 29,407,835	\$ 29,407,835	\$ -	\$ -	\$ -	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ -	\$ -	\$ 29,407,835	\$ 29,407,835	\$ -	\$ -	\$ -	\$ 2,407
Net Total - All Plans:	\$ 1,312,906,485	\$ 128,928,101	\$ 238,990,061	\$ 1,422,968,445	\$ 27,559,086	\$ 109,090,133	\$ 4,025,983	\$ 171,576

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: May 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	198,842	9,445	8,738	\$ 395,442.36	\$ -	\$ 3,302.37	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	203,026	0	4,184	0	0	198,842	
Dollars	\$ 403,763.20	\$ -	\$ 8,320.84	\$ -	\$ -	\$ 395,442.36	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	203,026	-	4,184	-	-	198,842	
Dollars	\$ 403,763.20	\$ -	\$ 8,320.84	\$ -	\$ -	\$ 395,442.36	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of May 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,945	0	1,189	18	0	8,738	
Dollars	\$ 3,758.53	\$ -	\$ 449.36	\$ 6.80	\$ -	\$ 3,302.37	
\$/Allowance	\$ 0.38	\$ -	\$ 0.38	\$ 0.38	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,644	-	1,189	-	-	8,455	
Dollars	\$ 3,521.18	\$ 123.59	\$ 449.36	\$ -	\$ -	\$ 3,195.41	Adjustment to reallocate allowance values based on unit cost
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	301	-	-	18	-	283	
Dollars	\$ 237.35	\$ (123.59)	\$ -	\$ 6.80	\$ -	\$ 106.96	Adjustment to reallocate allowance values based on unit cost
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,652	0	1,189	18	0	9,445	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,534	-	1,189	-	-	9,345	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	118	0	0	18	0	100	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 2,005,186	
10th Previous Month	1,865,556	
9th Previous Month	2,435,952	
8th Previous Month	1,788,869	
7th Previous Month	1,589,445	
6th Previous Month	1,970,117	
5th Previous Month	1,063,355	920,585
4th Previous Month	1,074,115	896,992
3rd Previous Month	1,091,566	628,606
2nd Previous Month	1,301,042	810,612
Previous Month	1,396,178	655,990
Current Month	1,004,624	858,614
Total 12 Month O&M	\$ 18,586,005	\$ 4,771,399

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	18,586,005	\$ 4,771,399
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,323,251	\$ 596,425

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	139,956.70	357,343.93				497,300.63
512055 - ECR Scrubber Maintenance	69,919.63	166,842.65				236,762.28
Total 2005 Plan O&M Expenses	209,876.33	524,186.58				734,062.91
2006 Plan						
506159 - ECR Sorbent Injection Operation					8,301.32	8,301.32
506152 - ECR Sorbent Reactant - Reagent Only					-	0.00
512152 - ECR Sorbent Injection Maintenance					4,212.40	4,212.40
506150 - ECR Mercury Monitors Operation	2,816.50	5,783.50	(45.00)	(15.00)	461.95	9,001.95
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					-	0.00
506155 - ECR NOx Operation -- Labor and Other					3,539.53	3,539.53
512151 - ECR NOx Maintenance					8,384.60	8,384.60
502056 - ECR Scrubber Operations					-	0.00
512055 - ECR Scrubber Maintenance					36,333.07	36,333.07
506051 - ECR Precipitator Operation					7,616.18	7,616.18
506151 - ECR Activated Carbon					22,012.15	22,012.15
512051 - ECR Precipitator Maintenance					171,159.74	171,159.74
Total 2006 Plan O&M Expenses	2,816.50	5,783.50	(45.00)	(15.00)	262,020.94	270,560.94
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	212,692.83	529,970.08	(45.00)	(15.00)	262,020.94	1,004,623.85
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	29,901.87				29,901.87
506152 - ECR Sorbent Reactant - Reagent Only	-	806,236.73				806,236.73
512152 - ECR Sorbent Injection Maintenance	-	22,475.10				22,475.10
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	858,613.70				858,613.70
Current Month O&M Expense for All Plans	212,692.83	1,388,583.78	(45.00)	(15.00)	262,020.94	1,863,237.55

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES 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
Total Monthly Beneficial Reuse Expense			\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Jun-11	\$ 25,633,377	\$ 13,896,895	\$ 147,165	\$ 917,307	\$ 1,406,254	\$ 42,000,998	\$ 40,594,743
Jul-11	27,603,951	14,758,887	765,845	1,016,977	1,557,949	45,703,610	44,145,661
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 40,745,948
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,293,781
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.70%

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	\$ 38,641,173	\$ 28,143,767	\$ 234,618	\$ 354,204	\$ 2,292,913	\$ 69,666,675	\$ 67,373,762	\$ 38,995,377
Jul-11	39,964,216	27,915,373	1,354,949	378,470	2,453,836	72,066,844	69,613,008	40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,547,833	\$ 36,920,749
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,293,781	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.30%	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 94,625,456	\$ 94,625,456
(2) Fuel Adjustment Clause	\$ 693,068	\$ 693,068
(3) DSM	\$ 1,198,670	\$ 1,198,670
(4) Environmental Surcharge		\$ 2,014,424
(5) CSR Credits		\$ (1,017,273)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 96,517,194	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 340	\$ 340
(8) Virginia Retail	\$ 5,582,652	\$ 5,582,652
(9) Wholesale	\$ 8,309,178	\$ 8,309,178
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 445,553	\$ 445,553
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,337,723	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 110,854,917	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.07%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 13,672,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 7,255,635
(18) Total Company Revenues per Income Statement =		\$ 132,779,704



a PPL company

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

July 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") 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. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the August 2012 billing cycle which begins July 31, 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

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

RECEIVED

JUL 20 2012

PUBLIC SERVICE
COMMISSION

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

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of June 2012

GROUP 1 (Total Revenue)

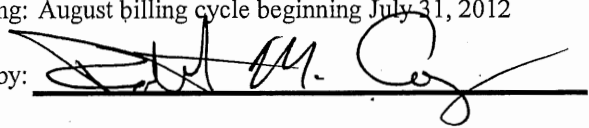
Group 1 E(m) -- ES Form 1.10, line 16	=	\$	639,742
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		1.57%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,017,620
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		2.75%

Effective Date for Billing: August billing cycle beginning July 31, 2012

Submitted by:


Title: Director, Rates

Date Submitted: July 20, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of June 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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,271,789,980	\$ 31,884,830
(2) RB / 12	= \$	105,982,498	\$ 2,657,069
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,238,942	\$ 995,727
(5) BAS	= \$	(6,811)	Not Applicable
(6) BR	= \$	5,109	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 16,442,614	\$ 1,264,888
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,707,502	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.30%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,281,574
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00231	= \$	(596,812)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	13,027,400
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	1,657,362

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	=	38.60%	61.40%
(16) Group E(m) [(14) x (15)]	= \$	639,742	\$ 1,017,620
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	40,667,416	\$ 36,984,810
(18) Group Environmental Surcharge Billing Factors [(16) + (17)]	=	1.57%	2.75%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,312,906,485	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	227,183,175	27,703,486
Subtotal	\$ 1,540,089,660	\$ 31,349,349
Additions:		
Inventory - Limestone	\$ 1,342,139	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	387,672	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	318,257	
Cash Working Capital Allowance	2,202,952	720,001
Subtotal	3,786,875	720,001
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	132,995,740	4,715
Pollution Control Deferred Income Taxes	112,652,278	179,805
Pollution Control Deferred Investment Tax Credit	26,438,537	
Subtotal	272,086,555	184,520
Environmental Compliance Rate Base	\$ 1,271,789,980	\$ 31,884,830

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,037,685	\$ 988,605
Monthly Depreciation & Amortization Expense	4,025,983	4,715
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,966	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	6,105	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,238,942	\$ 995,727

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 5,109
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 5,109

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	43,786	50,597	(6,811)
Total Proceeds from Sales	\$ 43,786	\$ 50,597	\$ (6,811)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: June 30, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	136,301.36	39,792.00	0.00	49,073.00	127,020.36	
Dollars	\$ 1,262,252.86	\$ 371,093.47	\$ -	\$ 456,747.82	\$ 1,176,598.51	
\$/Ton	\$ 9.26	\$ 9.33		\$9.31	\$9.26	
At E.W. Brown:						
Tons	8,223.43	17,374.24	0.00	11,931.00	13,666.67	
Dollars	\$ 99,655.73	\$ 210,402.04	\$ -	\$ 144,517.03	\$ 165,540.74	
\$/Ton	\$ 12.12	\$ 12.11		\$12.11	\$ 12.11	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,265,665.91

KENTUCKY UTILITIES 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 Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 6/30/2012	Deferred Tax Balance as of 6/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 103,148.35	\$ -	\$ 731,898	\$ -	\$ 101,483	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 2,870,956.30	\$ -	\$ 34,568,068	\$ -	\$ 4,833,596	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 129,679,499.83	\$ 1,266,716	\$ 952,347,507	\$ -	\$ 103,281,748	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 132,653,604	\$ 1,266,716	\$ 987,647,472	\$ -	\$ 108,216,827	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 120,501,929	\$ 1,266,716	\$ 981,263,371	\$ -	\$ 105,868,123	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 188,418,327	\$ 11,387,791.11	\$ 1,924,631	\$ 178,955,167	\$ 26,438,537	\$ 4,936,152	\$ 660,984	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,080,019.41	\$ -	\$ 11,874,814	\$ -	\$ 1,502,235	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 164,541.35	\$ -	\$ 867,412	\$ -	\$ 82,049	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 135,216.37	\$ -	\$ 1,213,949	\$ -	\$ 66,213	\$ 3,376	\$ 154
Subtotal	\$ 203,754,278	\$ 12,767,568	\$ 1,924,631	\$ 192,911,341	\$ 26,438,537	\$ 6,586,649	\$ 697,856	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 203,305,432	\$ 12,367,623	\$ 1,924,631	\$ 192,862,441	\$ 26,438,537	\$ 6,572,653	\$ 696,722	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 76,517,305	\$ 76,517,305	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,519,027	\$ 15,519,027	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 124,062,850	\$ 124,062,850	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 126,188	\$ (44,421)	\$ 8,931,860	\$ -	\$ 211,503	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 4,913,753	\$ 4,913,753	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,023,314	\$ 3,023,314	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 126,188	\$ 223,991,828	\$ 232,968,109	\$ -	\$ 211,503	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 126,188	\$ 223,991,828	\$ 232,968,109	\$ -	\$ 211,503	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,312,906,485	\$ 132,995,740	\$ 227,183,175	\$ 1,407,093,921	\$ 26,438,537	\$ 112,652,278	\$ 4,025,983	\$ 169,169

KENTUCKY UTILITIES 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 Amount Excluding AFUDC	Eligible Net Plant In Service	Unamortized ITC as of 6/30/2012	Deferred Tax Balance as of 6/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 16,029,577	\$ 16,029,577	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 433,242	\$ 433,242	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 4,715	\$ 11,240,666	\$ 14,881,814	\$ -	\$ 179,805	\$ 4,715	\$ 618
Subtotal	\$ 3,645,863	\$ 4,715	\$ 27,703,486	\$ 31,344,634	\$ -	\$ 179,805	\$ 4,715	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 4,715	\$ 27,703,486	\$ 31,344,634	\$ -	\$ 179,805	\$ 4,715	\$ 2,407
Net Total - All Plans:	\$ 1,316,552,349	\$ 133,000,455	\$ 254,886,661	\$ 1,438,438,555	\$ 26,438,537	\$ 112,832,082	\$ 4,030,699	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: June 30, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	193,625	7,875	7,168	\$ 385,067.18	\$ -	\$ 2,709.01	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	198,842	0	5,217	0	0	193,625	
Dollars	\$ 395,442.36	\$ -	\$ 10,375.18	\$ -	\$ -	\$ 385,067.18	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	198,842	-	5,217	-	-	193,625	
Dollars	\$ 395,442.36	\$ -	\$ 10,375.18	\$ -	\$ -	\$ 385,067.18	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of June 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,738	0	1,564	6	0	7,168	
Dollars	\$ 3,302.37	\$ -	\$ 591.09	\$ 2.27	\$ -	\$ 2,709.01	
\$/Allowance	\$ 0.38	\$ -	\$ 0.38	\$ 0.38	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,455	-	1,564	-	-	6,891	
Dollars	\$ 3,195.41	\$ -	\$ 591.09	\$ -	\$ -	\$ 2,604.32	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	283	-	-	6	-	277	
Dollars	\$ 106.96	\$ -	\$ -	\$ 2.27	\$ -	\$ 104.69	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,445	0	1,564	6	0	7,875	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,345	-	1,564	-	-	7,781	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	100	0	0	6	0	94	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,865,556	
10th Previous Month	2,435,952	
9th Previous Month	1,788,869	
8th Previous Month	1,589,445	
7th Previous Month	1,970,117	
6th Previous Month	1,063,355	920,585
5th Previous Month	1,074,115	896,992
4th Previous Month	1,091,566	628,606
3rd Previous Month	1,301,042	810,612
2nd Previous Month	1,396,178	655,990
Previous Month	1,004,624	858,614
Current Month	1,042,794	988,605
Total 12 Month O&M	\$ 17,623,613	\$ 5,760,005

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	17,623,613	\$ 5,760,005
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,202,952	\$ 720,001

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: June 30, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	144,517.03	342,512.93				487,029.96
512055 - ECR Scrubber Maintenance	104,847.35	143,974.74				248,822.09
Total 2005 Plan O&M Expenses	249,364.38	486,487.67				735,852.05
2006 Plan						
506159 - ECR Sorbent Injection Operation					8,853.91	8,853.91
506152 - ECR Sorbent Reactant - Reagent Only					63,141.87	63,141.87
512152 - ECR Sorbent Injection Maintenance					2,393.53	2,393.53
506150 - ECR Mercury Monitors Operation	830.75	2,492.28	216.72	72.24	793.38	4,405.37
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					63,397.15	63,397.15
506155 - ECR NOx Operation -- Labor and Other					5,394.95	5,394.95
512151 - ECR NOx Maintenance					2,647.71	2,647.71
502056 - ECR Scrubber Operations					64,501.89	64,501.89
512055 - ECR Scrubber Maintenance					43,821.80	43,821.80
506051 - ECR Precipitator Operation					5,990.07	5,990.07
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					37,284.86	37,284.86
Total 2006 Plan O&M Expenses	830.75	2,492.28	216.72	72.24	298,221.12	301,833.11
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	250,195.13	488,979.95	216.72	72.24	298,221.12	1,037,685.16
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	32,167.54				32,167.54
506152 - ECR Sorbent Reactant - Reagent Only	-	930,710.46				930,710.46
512152 - ECR Sorbent Injection Maintenance	-	25,727.38				25,727.38
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-					-
512107 - ECR Landfill Maintenance	-					-
Total 2011 Plan O&M Expenses	-	988,605.38				988,605.38
Current Month O&M Expense for All Plans						
	250,195.13	1,477,585.33	216.72	72.24	298,221.12	2,026,290.54

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: June 30, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	5,109.43
Total Monthly Beneficial Reuse Expense			\$ 5,109.43
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 5,109.43

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 5,109.43	\$ 5,109.43
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 5,109.43	\$ 5,109.43
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)]	\$ -	\$ -	\$ -	\$ -	\$ 5,109.43	\$ 5,109.43
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: June 30, 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Jul-11	\$ 27,603,951	\$ 14,758,887	\$ 765,845	\$ 1,016,977	\$ 1,557,949	\$ 45,703,610	\$ 44,145,661
Aug-11	31,406,289	17,329,922	706,301	1,191,044	1,252,761	51,886,318	50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 40,667,416
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,353,675
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.60%

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)
Jul-11	\$ 39,964,216	\$ 27,915,373	\$ 1,354,949	\$ 378,470	\$ 2,453,836	\$ 72,066,844	\$ 69,613,008	\$ 40,342,687
Aug-11	41,212,938	29,572,380	1,210,630	413,537	1,819,735	74,229,221	72,409,486	41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,686,259	\$ 36,984,810
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,353,675	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.40%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,541,250	\$ 106,541,250
(2) Fuel Adjustment Clause	\$ 705,208	\$ 705,208
(3) DSM	\$ 1,440,775	\$ 1,440,775
(4) Environmental Surcharge		\$ 3,425,426
(5) CSR Credits		\$ (1,006,443)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 108,687,233	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 391	\$ 391
(8) Virginia Retail	\$ 5,517,621	\$ 5,517,621
(9) Wholesale	\$ 10,349,170	\$ 10,349,170
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,384,440	\$ 1,384,440
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,251,623	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 125,938,856	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.30%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 4,827,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (550,468)
(18) Total Company Revenues per Income Statement =		\$ 132,634,371



a PPL company

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

August 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of July 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the September 2012 billing cycle which begins August 30, 2012.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in July 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written in a cursive style.

Robert M. Conroy

Enclosures

RECEIVED

AUG 20 2012

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 6/1/2012
INVOICE #: 20120510
INVOICE PERIOD: 01/01/12-05/31/12
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	January	3	\$260	\$780.00		\$780.00	
	February		\$260	\$0.00		\$0.00	
	March		\$260	\$0.00		\$0.00	
	April		\$260	\$0.00		\$0.00	
	May	5	\$260	\$1,300.00		\$1,300.00	
Chuck Buechel	January	3	\$240	\$720.00		\$720.00	
	February		\$240	\$0.00		\$0.00	
	March		\$240	\$0.00		\$0.00	
	April		\$240	\$0.00		\$0.00	
	May	10	\$240	\$2,400.00	\$100.00	\$2,500.00	
Mike Boismenu	January	2	\$240	\$480.00		\$480.00	
	February		\$240	\$0.00		\$0.00	
	March		\$240	\$0.00		\$0.00	
	April	2	\$240	\$480.00		\$480.00	
	May	16	\$240	\$3,840.00	649.7	\$4,489.70	
SUB TOTALS		41		\$10,000.00	\$749.70	\$10,749.70	
TOTAL FEES							\$10,000.00
TOTAL PERSONAL EXPENSES							\$749.70
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$10,749.70
TOTAL MONTHLY INVOICE AMOUNT							\$10,749.70

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

[Handwritten Signature]
 6/15/12

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of July 2012**

GROUP 1 (Total Revenue)

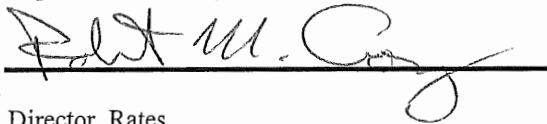
Group 1 E(m) -- ES Form 1.10, line 16	=	\$	329,589
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		0.80%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	517,901
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		1.40%

Effective Date for Billing: September billing cycle beginning August 30, 2012

Submitted by:



Title: Director, Rates

Date Submitted: August 20, 2012

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,282,342,880	\$ 38,467,121
(2) RB / 12	= \$	106,861,907	\$ 3,205,593
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,380,256	\$ 962,231
(5) BAS	= \$	(5,127)	Not Applicable
(6) BR	= \$	17,691	Not Applicable
(7) E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	16,687,691	\$ 1,286,958
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	17,974,649	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.10%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	15,655,919
(11) Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	14,808,429
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	=	847,490

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	=	38.89%	61.11%
(16) Group E(m) $[(14) \times (15)]$	= \$	329,589	\$ 517,901
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,351,378	\$ 37,043,899
(18) Group Environmental Surcharge Billing Factors $[(16) \div (17)]$	=	0.80%	1.40%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,312,906,485	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	245,459,620	34,356,744
Subtotal	\$ 1,558,366,105	\$ 38,002,607
Additions:		
Inventory - Limestone	\$ 1,282,845	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	374,799	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	305,384	
Cash Working Capital Allowance	2,119,105	838,088
Subtotal	3,630,861	838,088
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	137,063,378	14,146
Pollution Control Deferred Income Taxes	116,214,423	359,428
Pollution Control Deferred Investment Tax Credit	26,376,285	
Subtotal	279,654,086	373,574
Environmental Compliance Rate Base	\$ 1,282,342,880	\$ 38,467,121

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,177,093	\$ 944,696
Monthly Depreciation & Amortization Expense	4,025,983	9,431
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	12,871	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	2	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	8,011	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		5,697
Total Pollution Control Operations Expense	\$ 5,380,256	\$ 962,231

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 17,691
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 17,691

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	45,471	50,597	(5,127)
Total Proceeds from Sales	\$ 45,471	\$ 50,597	\$ (5,127)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: July 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	127,020.36	44,502.00	0.00	52,975.00	118,547.36	
Dollars	\$ 1,176,598.51	\$ 413,672.11	\$ -	\$ 492,458.03	\$ 1,097,812.59	
\$/Ton	\$ 9.26	\$ 9.30		\$9.30	\$9.26	
At E.W. Brown:						
Tons	13,666.67	14,567.53	0.00	12,989.00	15,245.20	
Dollars	\$ 165,540.74	\$ 177,141.18	\$ -	\$ 157,649.07	\$ 185,032.85	
\$/Ton	\$ 12.11	\$ 12.16		\$12.14	\$ 12.14	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,206,372.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2012

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 7/31/2012	(7) Deferred Tax Balance as of 7/31/2012	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 105,089.83	\$ -	\$ 729,956	\$ -	\$ 102,962	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 2,953,432.85	\$ -	\$ 34,485,591	\$ -	\$ 4,967,926	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 132,945,451.09	\$ 1,193,469	\$ 949,008,309	\$ -	\$ 106,338,901	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 136,003,974	\$ 1,193,469	\$ 984,223,856	\$ -	\$ 111,409,789	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 123,852,298	\$ 1,193,469	\$ 977,839,755	\$ -	\$ 109,061,085	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 188,418,327	\$ 12,048,775.25	\$ 2,011,577	\$ 178,381,129	\$ 26,376,285	\$ 5,250,129	\$ 660,984	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,110,090.94	\$ -	\$ 11,844,742	\$ -	\$ 1,541,195	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 167,965.24	\$ -	\$ 863,988	\$ -	\$ 83,222	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 138,592.35	\$ -	\$ 1,210,573	\$ -	\$ 67,537	\$ 3,376	\$ 154
Subtotal	\$ 203,754,278	\$ 13,465,424	\$ 2,011,577	\$ 192,300,432	\$ 26,376,285	\$ 6,942,083	\$ 697,856	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 203,305,432	\$ 13,065,479	\$ 2,011,577	\$ 192,251,531	\$ 26,376,285	\$ 6,928,086	\$ 696,722	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 77,947,386	\$ 77,947,386	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,693,780	\$ 15,693,780	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 140,018,281	\$ 140,018,281	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 145,601	\$ 28,701	\$ 8,985,569	\$ -	\$ 225,252	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 5,161,926	\$ 5,161,926	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,404,499	\$ 3,404,499	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 145,601	\$ 242,254,573	\$ 251,211,441	\$ -	\$ 225,252	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 145,601	\$ 242,254,573	\$ 251,211,441	\$ -	\$ 225,252	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,312,906,485	\$ 137,063,378	\$ 245,459,620	\$ 1,421,302,727	\$ 26,376,285	\$ 116,214,423	\$ 4,025,983	\$ 169,169

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 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	Unamortized ITC as of 7/31/2012	Deferred Tax Balance as of 7/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 16,619,404	\$ 16,619,404	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 1,820,453	\$ 1,820,453	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 14,146	\$ 15,916,887	\$ 19,548,604	\$ -	\$ 359,428	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 14,146	\$ 34,356,744	\$ 37,988,461	\$ -	\$ 359,428	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 14,146	\$ 34,356,744	\$ 37,988,461	\$ -	\$ 359,428	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,316,552,349	\$ 137,077,524	\$ 279,816,364	\$ 1,459,291,188	\$ 26,376,285	\$ 116,573,851	\$ 4,035,414	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: July 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	187,487	6,092	5,386	\$ 372,860.38	\$ -	\$ 2,035.53	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	193,625	0	6,138	0	0	187,487	
Dollars	\$ 385,067.18	\$ -	\$ 12,206.80	\$ -	\$ -	\$ 372,860.38	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	193,625	-	6,138	-	-	187,487	
Dollars	\$ 385,067.18	\$ -	\$ 12,206.80	\$ -	\$ -	\$ 372,860.38	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of July 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,168	(4)	1,757	21	0	5,386	
Dollars	\$ 2,709.01	\$ (1.52)	\$ 664.02	\$ 7.94	\$ -	\$ 2,035.53	
\$/Allowance	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,891	(4)	1,757	-	-	5,130	Preliminary true-up for year-to-date emissions
Dollars	\$ 2,604.32	\$ (1.52)	\$ 664.02	\$ -	\$ -	\$ 1,938.78	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	277	-	-	21	-	256	
Dollars	\$ 104.69	\$ -	\$ -	\$ 7.94	\$ -	\$ 96.75	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of July 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,875	(5)	1,757	21	0	6,092	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,781	(6)	1,757	-	-	6,018	Preliminary true-up for year-to-date emissions
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	94	1	0	21	0	74	Preliminary true-up for year-to-date emissions
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 2,435,952	
10th Previous Month	1,788,869	
9th Previous Month	1,589,445	
8th Previous Month	1,970,117	
7th Previous Month	1,063,355	920,585
6th Previous Month	1,074,115	896,992
5th Previous Month	1,091,566	628,606
4th Previous Month	1,301,042	810,612
3rd Previous Month	1,396,178	655,990
2nd Previous Month	1,004,624	858,614
Previous Month	1,042,794	988,605
Current Month	1,194,784	944,696
Total 12 Month O&M	\$ 16,952,841	\$ 6,704,701

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	16,952,841	\$ 6,704,701
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	2,119,105	\$ 838,088

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: July 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	157,649.07	364,845.54				522,494.61
512055 - ECR Scrubber Maintenance	73,921.38	83,296.05				157,217.43
Total 2005 Plan O&M Expenses	231,570.45	448,141.59				679,712.04
2006 Plan						
506159 - ECR Sorbent Injection Operation					17,692.99	17,692.99
506152 - ECR Sorbent Reactant - Reagent Only					55,298.08	55,298.08
512152 - ECR Sorbent Injection Maintenance					815.65	815.65
506150 - ECR Mercury Monitors Operation	1,322.25	2,853.75	(211.50)	(70.50)	2,601.01	6,495.01
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					122,894.23	122,894.23
506155 - ECR NOx Operation -- Labor and Other					4,405.74	4,405.74
512151 - ECR NOx Maintenance					2,076.07	2,076.07
502056 - ECR Scrubber Operations					89,307.21	89,307.21
512055 - ECR Scrubber Maintenance					26,986.73	26,986.73
506051 - ECR Precipitator Operation					8,299.99	8,299.99
506151 - ECR Activated Carbon					153,974.52	153,974.52
512051 - ECR Precipitator Maintenance					9,134.75	9,134.75
Total 2006 Plan O&M Expenses	1,322.25	2,853.75	(211.50)	(70.50)	493,486.97	497,380.97
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)					-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	232,892.70	450,995.34	(211.50)	(70.50)	493,486.97	1,177,093.01
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	27,192.24				27,192.24
506152 - ECR Sorbent Reactant - Reagent Only	-	905,159.00				905,159.00
512152 - ECR Sorbent Injection Maintenance	-	12,344.53				12,344.53
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	944,695.77				944,695.77
Current Month O&M Expense for All Plans	232,892.70	1,395,691.11	(211.50)	(70.50)	493,486.97	2,121,788.78

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: July 31, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: July 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	17,690.81
Total Monthly Beneficial Reuse Expense			\$ 17,690.81
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 17,690.81

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: July 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 17,690.81	\$ 17,690.81
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 17,690.81	\$ 17,690.81
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)]	\$ -	\$ -	\$ -	\$ -	\$ 17,690.81	\$ 17,690.81
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: July 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Aug-11	\$ 31,406,289	\$ 17,329,922	\$ 706,301	\$ 1,191,044	\$ 1,252,761	\$ 51,886,318	\$ 50,633,557
Sep-11	26,501,643	14,151,999	1,659,425	964,630	812,851	44,090,546	43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,351,378
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,325,250
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.89%

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)
Aug-11	\$ 41,212,938	\$ 29,572,380	\$ 1,210,630	\$ 413,537	\$ 1,819,735	\$ 74,229,221	\$ 72,409,486	\$ 41,626,475
Sep-11	39,896,796	29,034,741	3,306,788	378,303	1,375,333	73,991,962	72,616,629	40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,973,872	\$ 37,043,899
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,325,250	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.11%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 118,006,699	\$ 118,006,699
(2) Fuel Adjustment Clause	\$ 5,589,450	\$ 5,589,450
(3) DSM	\$ 1,821,420	\$ 1,821,420
(4) Environmental Surcharge		\$ 3,548,756
(5) CSR Credits		\$ (969,857)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 125,417,569	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 449	\$ 449
(8) Virginia Retail	\$ 5,957,791	\$ 5,957,791
(9) Wholesale	\$ 10,887,317	\$ 10,887,317
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,727,535	\$ 1,727,535
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,573,093	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 143,990,662	
Jurisdictional Allocation Ratio for Current Month [(6)/(12)] =	87.10%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 3,015,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (644,640)
(18) Total Company Revenues per Income Statement =		\$ 148,939,920



a PPL company

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

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

RECEIVED

SEP 21 2012

PUBLIC SERVICE
COMMISSION

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

September 21, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of August 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00231, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the October 2012 billing cycle which begins October 1, 2012.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in August 2012.

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

Sincerely,

A handwritten signature in black ink that reads "Robert M. Conroy". The signature is stylized and written in cursive.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 8/1/2012
 INVOICE #: 20120711
 INVOICE PERIOD: 07/01/12-07/31/12
 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	/01/12-07/31/12	2	\$260	\$520.00	✓	\$520.00	
Chuck Buechel	/01/12-07/31/12	16	\$240	\$3,840.00	✓ \$100.00	\$3,940.00	
Mike Boismenu	/01/12-07/31/12	14	\$240	\$3,360.00	✓	\$3,360.00	
SUB TOTALS		32		\$7,720.00	\$100.00	\$7,820.00	
TOTAL FEES							\$7,720.00
TOTAL PERSONAL EXPENSES							\$100.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$7,820.00
TOTAL MONTHLY INVOICE AMOUNT							\$7,820.00

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.

[Handwritten signature]
 8/15/12

PLEASE REMIT TO:
 Vantage Energy Consulting, LLC.
 21460 Overseas Hwy.
 Cudjoe Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

Approved PD# 65811

[Handwritten signature] 8/29/12

Robert M. Conroy
 Director - Rates

LG&E and KU Energy, LLC

KU, LGE 20120711, 8/2/2012

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2012**

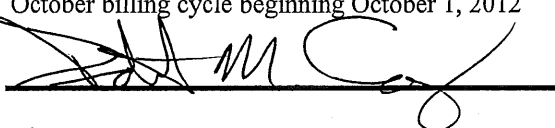
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	496,004
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		1.20%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	783,676
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		2.11%

Effective Date for Billing: October billing cycle beginning October 1, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: September 21, 2012

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of August 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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,292,808,307	\$ 40,163,370
(2) RB / 12	= \$	107,734,026	\$ 3,346,948
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.56%	10.13%
(4) OE	= \$	5,640,439	\$ 982,579
(5) BAS	= \$	(8,947)	Not Applicable
(6) BR	= \$	11,847	Not Applicable
(7) E(m)	= \$	$(2) \times (3) + (4) - (5) + (6)$ 17,037,946	\$ 1,321,624
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	18,359,570	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.71%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	16,103,179
(11) Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	14,823,499
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	1,279,680

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	=	38.76%	61.24%
(16) Group E(m) [(14) x (15)]	= \$	496,004	\$ 783,676
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,252,161	\$ 37,098,119
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	1.20%	2.11%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,315,055,981	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	261,469,816	36,121,222
Subtotal	\$ 1,576,525,797	\$ 39,767,085
Additions:		
Inventory - Limestone	\$ 1,308,135	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	361,768	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	292,353	
Cash Working Capital Allowance	1,995,397	958,912
Subtotal	3,519,412	958,912
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	141,133,961	23,577
Pollution Control Deferred Income Taxes	119,788,909	539,050
Pollution Control Deferred Investment Tax Credit	26,314,032	
Subtotal	287,236,902	562,627
Environmental Compliance Rate Base	\$ 1,292,808,307	\$ 40,163,370

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,434,443	\$ 966,596
Monthly Depreciation & Amortization Expense	4,028,928	9,431
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	12,759	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	2	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	7,899	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		4,145
Total Pollution Control Operations Expense	\$ 5,640,439	\$ 982,579

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 11,847
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 11,847

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	41,651	50,597	(8,947)
Total Proceeds from Sales	\$ 41,651	\$ 50,597	\$ (8,947)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: August 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	118,547.36	45,991.00	0.00	43,825.00	120,713.36	
Dollars	\$ 1,097,812.59	\$ 426,123.70	\$ -	\$ 406,980.81	\$ 1,116,955.48	
\$/Ton	\$ 9.26	\$ 9.27		\$9.29	\$9.25	
At E.W. Brown:						
Tons	15,245.20	13,939.87	0.00	13,423.00	15,762.07	
Dollars	\$ 185,032.85	\$ 168,955.73	\$ -	\$ 162,808.88	\$ 191,179.70	
\$/Ton	\$ 12.14	\$ 12.12		\$12.13	\$ 12.13	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,231,661.84

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2012

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 8/31/2012	(7) Deferred Tax Balance as of 8/31/2012	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 107,031.31	\$ -	\$ 728,015	\$ -	\$ 104,441	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 3,035,909.40	\$ -	\$ 34,403,114	\$ -	\$ 5,102,257	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 136,211,402.35	\$ 1,587,224	\$ 946,136,113	\$ -	\$ 109,396,042	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 139,354,343	\$ 1,587,224	\$ 981,267,242	\$ -	\$ 114,602,740	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 127,202,667	\$ 1,587,224	\$ 974,883,141	\$ -	\$ 112,254,036	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 190,567,822	\$ 12,712,703.76	\$ (2,867)	\$ 177,852,251	\$ 26,314,032	\$ 5,576,458	\$ 663,929	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,140,162.47	\$ -	\$ 11,814,671	\$ -	\$ 1,580,154	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 171,389.13	\$ -	\$ 860,564	\$ -	\$ 84,396	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 141,968.33	\$ -	\$ 1,207,197	\$ -	\$ 68,860	\$ 3,376	\$ 154
Subtotal	\$ 205,903,774	\$ 14,166,224	\$ (2,867)	\$ 191,734,683	\$ 26,314,032	\$ 7,309,868	\$ 700,800	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 205,454,928	\$ 13,766,279	\$ (2,867)	\$ 191,685,782	\$ 26,314,032	\$ 7,295,872	\$ 699,666	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 80,368,037	\$ 80,368,037	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ -	\$ -	\$ 15,811,429	\$ 15,811,429	\$ -	\$ -	\$ -	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 154,652,716	\$ 154,652,716	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 165,015	\$ 64,349	\$ 9,001,803	\$ -	\$ 239,001	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 5,565,564	\$ 5,565,564	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,423,365	\$ 3,423,365	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 9,102,469	\$ 165,015	\$ 259,885,459	\$ 268,822,913	\$ -	\$ 239,001	\$ 19,413	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 9,102,469	\$ 165,015	\$ 259,885,459	\$ 268,822,913	\$ -	\$ 239,001	\$ 19,413	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,315,055,981	\$ 141,133,961	\$ 261,469,816	\$ 1,435,391,836	\$ 26,314,032	\$ 119,788,909	\$ 4,028,928	\$ 169,169

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 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	Unamortized ITC as of 8/31/2012	Deferred Tax Balance as of 8/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 17,131,636	\$ 17,131,636	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 1,905,020	\$ 1,905,020	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 23,577	\$ 17,084,566	\$ 20,706,853	\$ -	\$ 539,050	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 23,577	\$ 36,121,222	\$ 39,743,508	\$ -	\$ 539,050	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 23,577	\$ 36,121,222	\$ 39,743,508	\$ -	\$ 539,050	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,318,701,844	\$ 141,157,538	\$ 297,591,037	\$ 1,475,135,344	\$ 26,314,032	\$ 120,327,959	\$ 4,038,359	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: August 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	181,385	4,430	3,004	\$ 360,725.17	\$ -	\$ 1,135.30	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of August 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	187,487	0	6,102	0	0	181,385	
Dollars	\$ 372,860.38	\$ -	\$ 12,135.21	\$ -	\$ -	\$ 360,725.17	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	187,487	-	6,102	-	-	181,385	
Dollars	\$ 372,860.38	\$ -	\$ 12,135.21	\$ -	\$ -	\$ 360,725.17	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of August 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,386	30	1,651	11	750	3,004	
Dollars	\$ 2,035.53	\$ 11.34	\$ 623.96	\$ 4.16	\$ 283.45	\$ 1,135.30	
\$/Allowance	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,130	30	1,651	-	750	2,759	Preliminary true-up for year-to-date emissions; 750 allowances
Dollars	\$ 1,938.78	\$ 11.34	\$ 623.96	\$ -	\$ 283.45	\$ 1,042.71	sold to LG&E
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	256	-	-	11	-	245	
Dollars	\$ 96.75	\$ -	\$ -	\$ 4.16	\$ -	\$ 92.59	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,092	0	1,651	11	0	4,430	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,018	-	1,651	-	-	4,367	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	74	-	0	11	0	63	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,788,869	
10th Previous Month	1,589,445	
9th Previous Month	1,970,117	
8th Previous Month	1,063,355	920,585
7th Previous Month	1,074,115	896,992
6th Previous Month	1,091,566	628,606
5th Previous Month	1,301,042	810,612
4th Previous Month	1,396,178	655,990
3rd Previous Month	1,004,624	858,614
2nd Previous Month	1,042,794	988,605
Previous Month	1,194,784	944,696
Current Month	1,446,290	966,596
Total 12 Month O&M	\$ 15,963,179	\$ 7,671,297

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	15,963,179	\$ 7,671,297
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	1,995,397	\$ 958,912

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: August 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	162,808.88	299,721.56				462,530.44
512055 - ECR Scrubber Maintenance	104,270.96	183,210.00				287,480.96
Total 2005 Plan O&M Expenses	267,079.84	482,931.56				750,011.40
2006 Plan						
506159 - ECR Sorbent Injection Operation					12,561.49	12,561.49
506152 - ECR Sorbent Reactant - Reagent Only					86,208.68	86,208.68
512152 - ECR Sorbent Injection Maintenance					3,024.09	3,024.09
506150 - ECR Mercury Monitors Operation	1,202.99	4,810.00	(4.44)	(1.48)	848.57	6,855.64
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					168,654.21	168,654.21
506155 - ECR NOx Operation -- Labor and Other					5,169.84	5,169.84
512151 - ECR NOx Maintenance					1,863.02	1,863.02
502056 - ECR Scrubber Operations					194,061.81	194,061.81
512055 - ECR Scrubber Maintenance					30,488.60	30,488.60
506051 - ECR Precipitator Operation					9,432.94	9,432.94
506151 - ECR Activated Carbon					152,756.35	152,756.35
512051 - ECR Precipitator Maintenance					13,354.93	13,354.93
Total 2006 Plan O&M Expenses	1,202.99	4,810.00	(4.44)	(1.48)	678,424.53	684,431.60
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	268,282.83	487,741.56	(4.44)	(1.48)	678,424.53	1,434,443.00
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	32,990.57				32,990.57
506152 - ECR Sorbent Reactant - Reagent Only	-	899,285.40				899,285.40
512152 - ECR Sorbent Injection Maintenance	169	34,151.38				34,320.33
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	168.95	966,427.35				966,596.30
Current Month O&M Expense for All Plans						
	268,451.78	1,454,168.91	(4.44)	(1.48)	678,424.53	2,401,039.30

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2012

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: August 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	11,847.16
Total Monthly Beneficial Reuse Expense			\$ 11,847.16
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 11,847.16

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 11,847.16	\$ 11,847.16
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 11,847.16	\$ 11,847.16
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)]	\$ -	\$ -	\$ -	\$ -	\$ 11,847.16	\$ 11,847.16
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: August 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Sep-11	\$ 26,501,643	\$ 14,151,999	\$ 1,659,425	\$ 964,630	\$ 812,851	\$ 44,090,546	\$ 43,277,696
Oct-11	19,821,945	9,769,750	878,169	654,011	596,602	31,720,477	31,123,875
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,252,161
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,427,433
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.76%

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)
Sep-11	\$ 39,896,796	\$ 29,034,741	\$ 3,306,788	\$ 378,303	\$ 1,375,333	\$ 73,991,962	\$ 72,616,629	\$ 40,275,099
Oct-11	37,569,253	29,162,944	2,607,431	308,514	1,331,982	70,980,124	69,648,142	37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	59,757,223	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 65,175,273	\$ 37,098,119
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,427,433	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.24%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 120,252,799	\$ 120,252,799
(2) Fuel Adjustment Clause	\$ 2,221,146	\$ 2,221,146
(3) DSM	\$ 1,795,297	\$ 1,795,297
(4) Environmental Surcharge		\$ 2,013,219
(5) CSR Credits		\$ (995,405)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 124,269,242	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 555	\$ 555
(8) Virginia Retail	\$ 5,782,470	\$ 5,782,470
(9) Wholesale	\$ 10,619,455	\$ 10,619,455
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,011,762	\$ 1,011,762
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,414,241	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 141,683,483	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.71%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (8,834,000)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 4,198,135
(18) Total Company Revenues per Income Statement =		\$ 138,065,432

RECEIVED
Conroy

OCT 19 2012

PUBLIC SERVICE
COMMISSION



a PPL company

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

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

October 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of September 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the November 2012 billing cycle which begins October 30, 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R M Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2012**

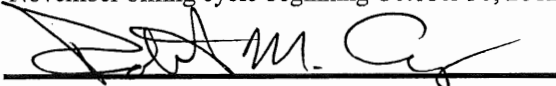
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	835,726
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.03%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,311,014
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		3.55%

Effective Date for Billing: November billing cycle beginning October 30, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: October 19, 2012

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of September 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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1)	RB	= \$ 1,295,742,781	\$	40,481,524
(2)	RB / 12	= \$ 107,978,565	\$	3,373,460
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	= 10.58%		10.14%
(4)	OE	= \$ 5,426,272	\$	741,011
(5)	BAS	= \$ (307)		Not Applicable
(6)	BR	= \$ 6,559		Not Applicable
(7)	E(m) (2) x (3) + (4) - (5) + (6)	= \$ 16,857,270	\$	1,083,080
(8)	Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$ 17,940,350		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.55%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,706,776
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,693)
(12)	Prior Period Adjustment (if necessary)	= \$	-
(13)	Revenue Collected through Base Rates	= \$	13,060,343
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	2,146,740

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	=	38.93%	61.07%
(16)	Group E(m) [(14) x (15)]	= \$	835,726	\$ 1,311,014
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,223,721	\$ 36,920,975
(18)	Group Environmental Surcharge Billing Factors [(16) + (17)]	=	2.03%	3.55%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,331,055,145	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	256,202,312	36,537,282
Subtotal	\$ 1,587,257,457	\$ 40,183,145
Additions:		
Inventory - Limestone	\$ 1,260,000	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	351,827	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	282,412	
Cash Working Capital Allowance	1,924,645	1,050,059
Subtotal	3,390,584	1,050,059
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	145,211,348	33,008
Pollution Control Deferred Income Taxes	123,442,133	718,672
Pollution Control Deferred Investment Tax Credit	26,251,779	
Subtotal	294,905,260	751,680
Environmental Compliance Rate Base	\$ 1,295,742,781	\$ 40,481,524

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,216,290	\$ 729,173
Monthly Depreciation & Amortization Expense	4,035,733	9,431
Monthly Taxes Other Than Income Taxes	169,169	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,941	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	5,080	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,426,272	\$ 741,011

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 6,559
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 6,559

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	50,290	50,597	(307)
Total Proceeds from Sales	\$ 50,290	\$ 50,597	\$ (307)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: September 30, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	120,713.36	39,653.00	(2,712.00)	38,782.00	118,872.36	Annual Inventory Adjustment
Dollars	\$ 1,116,955.48	\$ 369,721.66	\$ -	\$ 367,282.75	\$ 1,119,394.39	
\$/Ton	\$ 9.25	\$ 9.32		\$9.47	\$9.42	
At E.W. Brown:						
Tons	15,762.07	8,464.25	(8,385.00)	8,213.00	7,628.32	Annual Inventory Adjustment
Dollars	\$ 191,179.70	\$ 100,809.24	\$ -	\$ 151,382.91	\$ 140,606.03	
\$/Ton	\$ 12.13	\$ 11.91	\$ -	\$18.43	\$ 18.43	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 1,183,527.08

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 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	Unamortized ITC as of 9/30/2012	Deferred Tax Balance as of 9/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 108,972.79	\$ -	\$ 726,073	\$ -	\$ 105,920	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 3,118,385.95	\$ -	\$ 34,320,638	\$ -	\$ 5,236,587	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 139,477,353.61	\$ 1,886,619	\$ 943,169,556	\$ -	\$ 112,453,183	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 142,704,712	\$ 1,886,619	\$ 978,216,267	\$ -	\$ 117,795,691	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,535,777)	\$ (12,151,676)	\$ -	\$ (6,384,101)	\$ -	\$ (2,348,704)	\$ (40,521)	\$ (850)
Net Total - 2005 Plan:	\$ 1,100,498,584	\$ 130,553,037	\$ 1,886,619	\$ 971,832,166	\$ -	\$ 115,446,987	\$ 3,309,848	\$ 125,126
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 190,567,822	\$ 13,379,576.61	\$ 111,659	\$ 177,299,905	\$ 26,251,779	\$ 5,897,451	\$ 666,873	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,170,234.00	\$ -	\$ 11,784,599	\$ -	\$ 1,619,114	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 174,813.02	\$ -	\$ 857,140	\$ -	\$ 85,569	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 145,344.31	\$ -	\$ 1,203,821	\$ -	\$ 70,184	\$ 3,376	\$ 154
Subtotal	\$ 205,903,774	\$ 14,869,968	\$ 111,659	\$ 191,145,465	\$ 26,251,779	\$ 7,672,318	\$ 703,744	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 205,454,928	\$ 14,470,023	\$ 111,659	\$ 191,096,564	\$ 26,251,779	\$ 7,658,321	\$ 702,610	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 82,500,839	\$ 82,500,839	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 15,999,164	\$ 3,860	\$ -	\$ 15,995,304	\$ -	\$ 84,074	\$ 3,860	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 160,716,023	\$ 160,716,023	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 184,428	\$ 41,014	\$ 8,959,054	\$ -	\$ 252,751	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 7,002,101	\$ 7,002,101	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,944,058	\$ 3,944,058	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 25,101,634	\$ 188,289	\$ 254,204,034	\$ 279,117,379	\$ -	\$ 336,825	\$ 23,274	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 25,101,634	\$ 188,289	\$ 254,204,034	\$ 279,117,379	\$ -	\$ 336,825	\$ 23,274	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,331,055,145	\$ 145,211,348	\$ 256,202,312	\$ 1,442,046,109	\$ 26,251,779	\$ 123,442,133	\$ 4,035,733	\$ 169,169

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 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	Unamortized ITC as of 9/30/2012	Deferred Tax Balance as of 9/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 16,660,975	\$ 16,660,975	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 2,255,505	\$ 2,255,505	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 33,008	\$ 17,620,802	\$ 21,233,657	\$ -	\$ 718,672	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 33,008	\$ 36,537,282	\$ 40,150,138	\$ -	\$ 718,672	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 33,008	\$ 36,537,282	\$ 40,150,138	\$ -	\$ 718,672	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,334,701,009	\$ 145,244,356	\$ 292,739,594	\$ 1,482,196,247	\$ 26,251,779	\$ 124,160,805	\$ 4,045,163	\$ 171,576

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances**

For the Month Ended: September 30, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	176,648	3,050	1,624	\$ 351,304.57	\$ -	\$ 613.77	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of September 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	181,385	0	4,737	0	0	176,648	
Dollars	\$ 360,725.17	\$ -	\$ 9,420.60	\$ -	\$ -	\$ 351,304.57	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	181,385	-	4,737	-	-	176,648	
Dollars	\$ 360,725.17	\$ -	\$ 9,420.60	\$ -	\$ -	\$ 351,304.57	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of September 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,004	0	1,376	4	0	1,624	
Dollars	\$ 1,135.30	\$ -	\$ 520.02	\$ 1.51	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ 0.38	\$ 0.38	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,759	-	1,376	-	-	1,383	
Dollars	\$ 1,042.71	\$ -	\$ 520.02	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	245	-	-	4	-	241	
Dollars	\$ 92.59	\$ -	\$ -	\$ 1.51	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of September 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,430	0	1,376	4	0	3,050	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,367	-	1,376	-	-	2,991	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	63	-	0	4	0	59	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,589,445	
10th Previous Month	1,970,117	
9th Previous Month	1,063,355	920,585
8th Previous Month	1,074,115	896,992
7th Previous Month	1,091,566	628,606
6th Previous Month	1,301,042	810,612
5th Previous Month	1,396,178	655,990
4th Previous Month	1,004,624	858,614
3rd Previous Month	1,042,794	988,605
2nd Previous Month	1,194,784	944,696
Previous Month	1,446,290	966,596
Current Month	1,222,849	729,173
Total 12 Month O&M	\$ 15,397,159	\$ 8,400,470

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	15,397,159	\$ 8,400,470
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	1,924,645	\$ 1,050,059

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: September 30, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	151,382.91	272,543.46				423,926.37
512055 - ECR Scrubber Maintenance	63,776.03	342,528.87				406,304.90
Total 2005 Plan O&M Expenses	215,158.94	615,072.33				830,231.27
2006 Plan						
506159 - ECR Sorbent Injection Operation					4,548.27	4,548.27
506152 - ECR Sorbent Reactant - Reagent Only					44,902.03	44,902.03
512152 - ECR Sorbent Injection Maintenance					4,476.02	4,476.02
506150 - ECR Mercury Monitors Operation	758.77	2,276.31	197.94	65.98	352.69	3,651.69
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					75,948.90	75,948.90
506155 - ECR NOx Operation -- Labor and Other					2,803.44	2,803.44
512151 - ECR NOx Maintenance					1,732.85	1,732.85
502056 - ECR Scrubber Operations					72,405.59	72,405.59
512055 - ECR Scrubber Maintenance					29,704.72	29,704.72
506051 - ECR Precipitator Operation					6,977.20	6,977.20
506151 - ECR Activated Carbon					124,254.41	124,254.41
512051 - ECR Precipitator Maintenance					14,653.63	14,653.63
Total 2006 Plan O&M Expenses	758.77	2,276.31	197.94	65.98	382,759.75	386,058.75
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	215,917.71	617,348.64	197.94	65.98	382,759.75	1,216,290.02
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	30,612.37				30,612.37
506152 - ECR Sorbent Reactant - Reagent Only	-	679,631.15				679,631.15
512152 - ECR Sorbent Injection Maintenance	-	18,929.66				18,929.66
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	729,173.18				729,173.18
Current Month O&M Expense for All Plans	215,917.71	1,346,521.82	197.94	65.98	382,759.75	1,945,463.20

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2012

	Ghent	Trimble County
On-Site CCP Disposal O&M Expense		
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.

ES FORM 2.60

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: September 30, 2012**

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	6,558.80
Total Monthly Beneficial Reuse Expense			\$ 6,558.80
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 6,558.80

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: September 30, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 6,558.80	\$ 6,558.80
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 6,558.80	\$ 6,558.80
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)]	\$ -	\$ -	\$ -	\$ -	\$ 6,558.80	\$ 6,558.80
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: September 30, 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	
Oct-11	\$ 19,821,945	\$ 9,769,750	\$ 878,169	\$ 654,011	\$ 596,602	\$ 31,720,477	\$ 31,123,875	
Nov-11	20,589,623	10,316,815	638,564	694,309	998,827	33,238,137	32,239,310	
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204	
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430	
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393	
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359	
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705	
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446	
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353	
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203	
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954	
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,223,721	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,883,064	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							38.93%	

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)
Oct-11	\$ 37,569,253	\$ 29,162,944	\$ 2,607,431	\$ 308,514	\$ 1,331,982	\$ 70,980,124	\$ 69,648,142	\$ 37,877,767
Nov-11	32,115,248	23,240,756	1,440,684	268,721	1,750,691	58,816,099	57,065,409	32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,659,343	\$ 36,920,975
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,883,064	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							61.07%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 105,597,591	\$ 105,597,591
(2) Fuel Adjustment Clause	\$ 2,234,493	\$ 2,234,493
(3) DSM	\$ 1,529,813	\$ 1,529,813
(4) Environmental Surcharge		\$ 905,162
(5) CSR Credits		\$ (999,580)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 109,361,897	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 454	\$ 454
(8) Virginia Retail	\$ 5,697,591	\$ 5,697,591
(9) Wholesale	\$ 8,858,065	\$ 8,858,065
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 995,916	\$ 995,916
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,552,026	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 124,913,923	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.55%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (7,726,000)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 7,366,779
(18) Total Company Revenues per Income Statement =		\$ 124,460,284



a PPL company

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

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

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NOV 19 2012

PUBLIC SERVICE
COMMISSION

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

November 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of October 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the December 2012 billing cycle which begins November 29, 2012.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU'S 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in October 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
FED TAX ID # 27-2585037

INVOICE DATE: 10/10/2012
INVOICE #: 20120912
INVOICE PERIOD: 09/01/12-09/30/12
PROJECT NAME: Kentucky LGE Environmental Compliance
ITAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
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	/01/12-09/30/12	11	\$260	\$2,860.00		\$2,860.00	
Chuck Buechel	/01/12-09/30/12	6	\$240	\$1,440.00		\$1,440.00	
Mike Boismenu	/01/12-09/30/12		\$240	\$0.00		\$0.00	
SUB TOTALS		17		\$4,300.00	\$0.00	\$4,300.00	
TOTAL FEES							\$4,300.00
TOTAL PERSONAL EXPENSES							\$0.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$4,300.00
TOTAL MONTHLY INVOICE AMOUNT							\$4,300.00

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

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of October 2012**

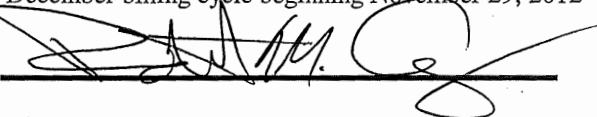
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,695,243
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.11%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,638,200
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		7.17%

Effective Date for Billing: December billing cycle beginning November 29, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: November 19, 2012

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of October 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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1) RB	= \$	1,302,585,878	\$	49,858,033
(2) RB / 12	= \$	108,548,823	\$	4,154,836
(3) $(ROR + (ROR - DR) / (TR / (1 - TR)))$	=	10.58%		10.14%
(4) OE	= \$	6,148,929	\$	655,373
(5) BAS	= \$	(3,176)		Not Applicable
(6) BR	= \$	10,355		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	17,646,926	\$	1,076,673
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	18,723,599		

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.60%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	16,401,873
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,693)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,568,737
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	4,333,443

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	=	39.12%		60.88%
(16) Group E(m) [(14) x (15)]	= \$	1,695,243	\$	2,638,200
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,237,917	\$	36,779,631
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	4.11%		7.17%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,330,841,879	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	270,908,335	46,022,687
Subtotal	\$ 1,601,750,214	\$ 49,668,550
Additions:		
Inventory - Limestone	\$ 1,142,142	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	344,240	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	274,825	
Cash Working Capital Allowance	1,969,528	1,130,216
Subtotal	3,310,022	1,130,216
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	149,272,994	42,439
Pollution Control Deferred Income Taxes	127,011,837	898,294
Pollution Control Deferred Investment Tax Credit	26,189,527	
Subtotal	302,474,358	940,733
Environmental Compliance Rate Base	\$ 1,302,585,878	\$ 49,858,033

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,938,154	\$ 641,256
Monthly Depreciation & Amortization Expense	4,038,905	9,431
Monthly Taxes Other Than Income Taxes	169,144	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	7,587	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	2,726	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		2,279
Total Pollution Control Operations Expense	\$ 6,148,929	\$ 655,373

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 10,355
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 10,355

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	47,422	50,597	(3,176)
Total Proceeds from Sales	\$ 47,422	\$ 50,597	\$ (3,176)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: October 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	118,872.36	33,243.00	0.00	46,140.00	105,975.36	
Dollars	\$ 1,119,394.39	\$ 305,295.95	\$ -	\$ 433,214.09	\$ 991,476.25	
\$/Ton	\$ 9.42	\$ 9.18		\$ 9.39	\$ 9.36	
At E.W. Brown:						
Tons	7,628.32	0.00	0.00	268.00	7,360.32	
Dollars	\$ 140,606.03	\$ 15,000.00	\$ -	\$ 4,939.80	\$ 150,666.23	\$15,000 purchase represents shortfall penalty accrual with the Mercer Stone contract.
\$/Ton	\$ 18.43			\$ 18.43	\$ 20.47	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 1,065,669.14

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: October 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	Unamortized ITC as of 10/31/2012	Deferred Tax Balance as of 10/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 110,914	\$ -	\$ 724,132	\$ -	\$ 107,400	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 3,200,863	\$ -	\$ 34,238,161	\$ -	\$ 5,370,917	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 142,743,305	\$ 2,500,634	\$ 940,517,620	\$ -	\$ 115,435,066	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 146,055,082	\$ 2,500,634	\$ 975,479,913	\$ -	\$ 120,913,383	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,749,043)	\$ (12,171,278)	\$ -	\$ (6,577,766)	\$ -	\$ (2,354,795)	\$ (41,209)	\$ (875)
Net Total - 2005 Plan:	\$ 1,100,285,317	\$ 133,883,804	\$ 2,500,634	\$ 968,902,147	\$ -	\$ 118,558,588	\$ 3,309,161	\$ 125,101
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 190,567,822	\$ 14,046,449	\$ 490,875	\$ 177,012,248	\$ 26,189,527	\$ 6,218,526	\$ 666,873	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,200,306	\$ -	\$ 11,754,528	\$ -	\$ 1,658,074	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 178,237	\$ -	\$ 853,716	\$ -	\$ 85,993	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 148,720	\$ -	\$ 1,200,445	\$ -	\$ 71,508	\$ 3,376	\$ 154
Subtotal	\$ 205,903,774	\$ 15,573,712	\$ 490,875	\$ 190,820,936	\$ 26,189,527	\$ 8,034,100	\$ 703,744	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 205,454,928	\$ 15,173,767	\$ 490,875	\$ 190,772,035	\$ 26,189,527	\$ 8,020,103	\$ 702,610	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 87,255,822	\$ 87,255,822	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 15,999,164	\$ 11,581	\$ -	\$ 15,987,583	\$ -	\$ 166,646	\$ 7,721	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 170,663,750	\$ 170,663,750	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 203,842	\$ (87,095)	\$ 8,811,532	\$ -	\$ 266,500	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 6,100,012	\$ 6,100,012	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,984,338	\$ 3,984,338	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 25,101,634	\$ 215,423	\$ 267,916,827	\$ 292,803,037	\$ -	\$ 433,146	\$ 27,134	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 25,101,634	\$ 215,423	\$ 267,916,827	\$ 292,803,037	\$ -	\$ 433,146	\$ 27,134	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,330,841,879	\$ 149,272,994	\$ 270,908,335	\$ 1,452,477,219	\$ 26,189,527	\$ 127,011,837	\$ 4,038,905	\$ 169,144

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: October 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	Unamortized ITC as of 10/31/2012	Deferred Tax Balance as of 10/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 17,019,995	\$ 17,019,995	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 3,416,709	\$ 3,416,709	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 42,439	\$ 25,585,983	\$ 29,189,407	\$ -	\$ 898,294	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 42,439	\$ 46,022,687	\$ 49,626,112	\$ -	\$ 898,294	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 42,439	\$ 46,022,687	\$ 49,626,112	\$ -	\$ 898,294	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,334,487,742	\$ 149,315,433	\$ 316,931,022	\$ 1,502,103,331	\$ 26,189,527	\$ 127,910,131	\$ 4,048,336	\$ 171,551

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: October 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	172,833	2,196	1,624	\$ 343,717.58	\$ -	\$ 613.77	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of October 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	176,648	0	3,815	0	0	172,833	
Dollars	\$ 351,304.57	\$ -	\$ 7,586.99	\$ -	\$ -	\$ 343,717.58	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	176,648	-	3,815	-	-	172,833	
Dollars	\$ 351,304.57	\$ -	\$ 7,586.99	\$ -	\$ -	\$ 343,717.58	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of October 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	0	0	0	0	1,624	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	-	-	-	-	1,383	
Dollars	\$ 522.69	\$ -	\$ -	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	-	-	-	-	241	
Dollars	\$ 91.08	\$ -	\$ -	\$ -	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of October 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,050	0	853	1	0	2,196	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,991	-	853	-	-	2,138	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	59	-	0	1	0	58	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,970,117	
10th Previous Month	1,063,355	920,585
9th Previous Month	1,074,115	896,992
8th Previous Month	1,091,566	628,606
7th Previous Month	1,301,042	810,612
6th Previous Month	1,396,178	655,990
5th Previous Month	1,004,624	858,614
4th Previous Month	1,042,794	988,605
3rd Previous Month	1,194,784	944,696
2nd Previous Month	1,446,290	966,596
Previous Month	1,222,849	729,173
Current Month	1,948,509	641,256
Total 12 Month O&M	\$ 15,756,223	\$ 9,041,726

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	15,756,223	\$ 9,041,726
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	1,969,528	\$ 1,130,216

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: October 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	4,939.80	304,865.26				309,805.06
512055 - ECR Scrubber Maintenance	304,320.13	895,274.11				1,199,594.24
Total 2005 Plan O&M Expenses	309,259.93	1,200,139.37				1,509,399.30
2006 Plan						
506159 - ECR Sorbent Injection Operation					9,001.13	9,001.13
506152 - ECR Sorbent Reactant - Reagent Only					52,504.74	52,504.74
512152 - ECR Sorbent Injection Maintenance					2,336.42	2,336.42
506150 - ECR Mercury Monitors Operation	2,773.00	4,917.78	(227.28)	(75.76)	2,581.19	9,968.93
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					86,709.04	86,709.04
506155 - ECR NOx Operation -- Labor and Other					2,849.89	2,849.89
512151 - ECR NOx Maintenance					676.09	676.09
502056 - ECR Scrubber Operations					99,962.97	99,962.97
512055 - ECR Scrubber Maintenance					27,886.17	27,886.17
506051 - ECR Precipitator Operation					5,713.93	5,713.93
506151 - ECR Activated Carbon					94,635.74	94,635.74
512051 - ECR Precipitator Maintenance					36,509.42	36,509.42
Total 2006 Plan O&M Expenses	2,773.00	4,917.78	(227.28)	(75.76)	421,366.73	428,754.47
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	312,032.93	1,205,057.15	(227.28)	(75.76)	421,366.73	1,938,153.77
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	31,906.37				31,906.37
506152 - ECR Sorbent Reactant - Reagent Only	-	592,664.55				592,664.55
512152 - ECR Sorbent Injection Maintenance	-	16,684.69				16,684.69
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	-	641,255.61				641,255.61
Current Month O&M Expense for All Plans	312,032.93	1,846,312.76	(227.28)	(75.76)	421,366.73	2,579,409.38

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2012**

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: October 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	10,355.20
Total Monthly Beneficial Reuse Expense			\$ 10,355.20
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 10,355.20

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: October 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 10,355.20	\$ 10,355.20
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 10,355.20	\$ 10,355.20
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)]	\$ -	\$ -	\$ -	\$ -	\$ 10,355.20	\$ 10,355.20
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: October 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Nov-11	\$ 20,589,623	\$ 10,316,815	\$ 638,564	\$ 694,309	\$ 998,827	\$ 33,238,137	\$ 32,239,310
Dec-11	26,276,488	14,063,413	(1,101,854)	958,158	1,456,145	41,652,350	40,196,204
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,237,917
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,426,320
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.12%

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)
Nov-11	\$ 32,115,248	\$ 23,240,756	\$ 1,440,684	\$ 268,721	\$ 1,750,691	\$ 58,816,099	\$ 57,065,409	\$ 32,383,969
Dec-11	33,760,202	25,376,140	(1,768,964)	314,423	2,075,423	59,757,223	57,681,800	34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,188,403	\$ 36,779,631
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 105,426,320	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.88%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 92,789,714	\$ 92,789,714
(2) Fuel Adjustment Clause	\$ 1,376,659	\$ 1,376,659
(3) DSM	\$ 1,124,707	\$ 1,124,707
(4) Environmental Surcharge		\$ 1,107,563
(5) CSR Credits		\$ (985,620)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 95,291,080	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 459	\$ 459
(8) Virginia Retail	\$ 5,088,230	\$ 5,088,230
(9) Wholesale	\$ 7,477,814	\$ 7,477,814
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 920,081	\$ 920,081
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,486,584	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 108,777,664	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.60%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 312,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 725,814
(18) Total Company Revenues per Income Statement =		\$ 109,937,421

RECEIVED

DEC 21 2012

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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 21, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of November 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the January 2013 billing cycle which begins December 31, 2012.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU'S 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in November 2012.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 11/1/2012
 INVOICE #: 20121013
 INVOICE PERIOD: 10/1/12-10/31/12/12
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602


PROJECT DESCRIPTION:
 LGE Environmental Compliance / Monitoring

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	10/1/12-10/31/12/12	30	\$260	\$7,800.00	\$2,248.68	\$10,048.68	
Chuck Buechel	10/1/12-10/31/12/12	25	\$240	\$6,000.00	\$658.84	\$6,658.84	
Mike Boismenu	10/1/12-10/31/12/12	38	\$240	\$9,120.00	\$1,069.09	\$10,189.09	
SUB TOTALS		93		\$22,920.00	\$3,976.61	\$26,896.61	
TOTAL FEES							\$22,920.00
TOTAL PERSONAL EXPENSES							\$3,976.61
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							\$0.00
Invoice Amount							\$26,896.61
TOTAL MONTHLY INVOICE AMOUNT							\$26,896.61

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

Approved PD# 68949

 Robert M. Conroy
 Director - Rates
 LG&E and KU Energy, LLC

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of November 2012

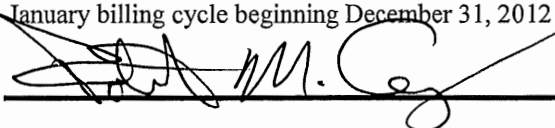
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,403,028
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		3.37%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,168,835
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		5.88%

Effective Date for Billing: January billing cycle beginning December 31, 2012

Submitted by: 

Title: Director, Rates

Date Submitted: December 21, 2012

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1) RB	= \$	1,314,694,707	\$	57,150,344
(2) RB / 12	= \$	109,557,892	\$	4,762,529
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.58%		10.14%
(4) OE	= \$	4,948,859	\$	1,061,617
(5) BAS	= \$	2,795		Not Applicable
(6) BR	= \$	6,530		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	16,543,819	\$	1,544,538
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	18,088,357		

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.45%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	15,818,268
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,693)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	11,746,712
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	3,571,863

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	=	39.28%		60.72%
(16) Group E(m) [(14) x (15)]	= \$	1,403,028	\$	2,168,835
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,655,417	\$	36,891,491
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	3.37%		5.88%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,330,841,879	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	290,986,252	53,374,611
Subtotal	\$ 1,621,828,131	\$ 57,020,474
Additions:		
Inventory - Limestone	\$ 917,557	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	335,450	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	266,035	
Cash Working Capital Allowance	1,816,190	1,259,656
Subtotal	2,923,308	1,259,656
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	153,354,242	51,870
Pollution Control Deferred Income Taxes	130,575,216	1,077,916
Pollution Control Deferred Investment Tax Credit	26,127,274	
Subtotal	310,056,732	1,129,786
Environmental Compliance Rate Base	\$ 1,314,694,707	\$ 57,150,344

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 736,882	\$ 1,035,524
Monthly Depreciation & Amortization Expense	4,038,905	9,431
Monthly Taxes Other Than Income Taxes	169,144	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,790	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	3,928	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		14,255
Total Pollution Control Operations Expense	\$ 4,948,859	\$ 1,061,617

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 6,530
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
Net Beneficial Reuse Operations Expense	\$ 6,530

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	53,392	50,597	2,795
Total Proceeds from Sales	\$ 53,392	\$ 50,597	\$ 2,795

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: November 30, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	105,975.36	32,774.00	0.00	53,445.00	85,304.36	
Dollars	\$ 991,476.25	\$ 302,877.98	\$ -	\$ 500,854.69	\$ 793,499.54	
\$/Ton	\$ 9.36	\$ 9.24		\$9.37	\$9.30	
At E.W. Brown:						
Tons	7,360.32	4,716.01	0.00	5,307.00	6,769.33	
Dollars	\$ 150,666.23	\$ 70,648.92	\$ -	\$ 97,257.97	\$ 124,057.18	
\$/Ton	\$ 20.47	\$ 14.98		\$18.33	\$ 18.33	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34

Net to be included in ECR \$ 841,083.38

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: November 30, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	168,413	1,058	1,624	\$ 334,927.41	\$ -	\$ 613.77	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of November 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	172,833	0	4,420	0	0	168,413	
Dollars	\$ 343,717.58	\$ -	\$ 8,790.17	\$ -	\$ -	\$ 334,927.41	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	172,833	-	4,420	-	-	168,413	
Dollars	\$ 343,717.58	\$ -	\$ 8,790.17	\$ -	\$ -	\$ 334,927.41	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of November 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	0	0	0	0	1,624	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	-	-	-	-	1,383	
Dollars	\$ 522.69	\$ -	\$ -	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	-	-	-	-	241	
Dollars	\$ 91.08	\$ -	\$ -	\$ -	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of November 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	2,196	0	1,138	0	0	1,058	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,138	-	1,138	-	-	1,000	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	58	-	0	0	0	58	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,063,355	\$ 920,585
10th Previous Month	1,074,115	896,992
9th Previous Month	1,091,566	628,606
8th Previous Month	1,301,042	810,612
7th Previous Month	1,396,178	655,990
6th Previous Month	1,004,624	858,614
5th Previous Month	1,042,794	988,605
4th Previous Month	1,194,784	944,696
3rd Previous Month	1,446,290	966,596
2nd Previous Month	1,222,849	729,173
Previous Month	1,948,509	641,256
Current Month	743,412	1,035,524
Total 12 Month O&M	\$ 14,529,518	\$ 10,077,249

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 14,529,518	\$ 10,077,249
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,816,190	\$ 1,259,656

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: November 30, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	97,257.97	360,324.77				457,582.74
512055 - ECR Scrubber Maintenance	60,392.51	67,425.14				127,817.65
Total 2005 Plan O&M Expenses	157,650.48	427,749.91				585,400.39
2006 Plan						
506159 - ECR Sorbent Injection Operation					13,134.49	13,134.49
506152 - ECR Sorbent Reactant - Reagent Only					-	0.00
512152 - ECR Sorbent Injection Maintenance					580.31	580.31
506150 - ECR Mercury Monitors Operation	2,123.37	5,310.11	148.14	49.38	263.95	7,894.95
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					-	0.00
506155 - ECR NOx Operation -- Labor and Other					3,500.29	3,500.29
512151 - ECR NOx Maintenance					26,203.74	26,203.74
502056 - ECR Scrubber Operations					-	0.00
512055 - ECR Scrubber Maintenance					94,909.29	94,909.29
506051 - ECR Precipitator Operation					5,708.18	5,708.18
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					(449.66)	-449.66
Total 2006 Plan O&M Expenses	2,123.37	5,310.11	148.14	49.38	143,850.59	151,481.59
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans	159,773.85	433,060.02	148.14	49.38	143,850.59	736,881.98
2011 Plan						
506159 - ECR Sorbent Injection Operation	-	44,074.29				44,074.29
506152 - ECR Sorbent Reactant - Reagent Only	9,965	933,308.68				943,273.29
512152 - ECR Sorbent Injection Maintenance	-	48,176.07				48,176.07
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	9,964.61	1,025,559.04				1,035,523.65
Current Month O&M Expense for All Plans	169,738.46	1,458,619.06	148.14	49.38	143,850.59	1,772,405.63

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2012

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: November 30, 2012

Third Party	O&M Expense Account	Plant	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	6,530.32
Total Monthly Beneficial Reuse Expense			\$ 6,530.32
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ -
Net Beneficial Reuse O&M Expense			\$ 6,530.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: November 30, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 6,530.32	\$ 6,530.32
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 6,530.32	\$ 6,530.32
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)]	\$ -	\$ -	\$ -	\$ -	\$ 6,530.32	\$ 6,530.32
(8) Less 2009 Plan Project 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: November 30, 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	
Dec-11	\$ 26,276,488	\$ 14,063,413	\$ (1,101,854)	\$ 958,158	\$ 1,456,145	\$ 41,652,350	\$ 40,196,204	
Jan-12	32,954,435	18,495,325	(400,088)	1,269,757	2,672,773	54,992,202	52,319,430	
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393	
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359	
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705	
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446	
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353	
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203	
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954	
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421	
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225	
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,655,417	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,046,327	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.28%	

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)
Dec-11	\$ 33,760,202	\$ 25,376,140	\$ (1,768,964)	\$ 314,423	\$ 2,075,423	\$ 59,757,223	\$ 57,681,800	\$ 34,074,625
Jan-12	33,713,169	24,534,863	(612,116)	329,908	2,915,836	60,881,660	57,965,824	34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	65,426,643	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,390,910	\$ 36,891,491
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,046,327	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.72%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 93,486,173	\$ 93,486,173
(2) Fuel Adjustment Clause	\$ 1,990,533	\$ 1,990,533
(3) DSM	\$ 1,268,103	\$ 1,268,103
(4) Environmental Surcharge		\$ 1,924,759
(5) CSR Credits		\$ (990,910)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 96,744,809	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 932	\$ 932
(8) Virginia Retail	\$ 6,252,196	\$ 6,252,196
(9) Wholesale	\$ 7,152,275	\$ 7,152,275
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 474,306	\$ 474,306
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,879,709	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 110,624,518	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.45%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 6,344,114
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 1,187,074
(18) Total Company Revenues per Income Statement =		\$ 119,089,555

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 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	Unamortized ITC as of 11/30/2012	Deferred Tax Balance as of 11/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 112,856	\$ -	\$ 722,190	\$ -	\$ 108,879	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 3,283,339	\$ -	\$ 34,155,685	\$ -	\$ 5,505,248	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 146,009,256	\$ 2,440,163	\$ 937,191,198	\$ -	\$ 118,404,532	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 149,405,451	\$ 2,440,163	\$ 972,069,073	\$ -	\$ 124,018,659	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,749,043)	\$ (12,171,278)	\$ -	\$ (6,577,766)	\$ -	\$ (2,354,795)	\$ (41,209)	\$ (875)
Net Total - 2005 Plan:	\$ 1,100,285,317	\$ 137,234,173	\$ 2,440,163	\$ 965,491,307	\$ -	\$ 121,663,864	\$ 3,309,161	\$ 125,101
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 190,567,822	\$ 14,713,322	\$ 457,396	\$ 176,311,896	\$ 26,127,274	\$ 6,539,600	\$ 666,873	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,230,377	\$ -	\$ 11,724,456	\$ -	\$ 1,697,034	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 181,661	\$ -	\$ 850,292	\$ -	\$ 86,416	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 152,096	\$ -	\$ 1,197,069	\$ -	\$ 72,831	\$ 3,376	\$ 154
Subtotal	\$ 205,903,774	\$ 16,277,456	\$ 457,396	\$ 190,083,714	\$ 26,127,274	\$ 8,395,881	\$ 703,744	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 205,454,928	\$ 15,877,511	\$ 457,396	\$ 190,034,813	\$ 26,127,274	\$ 8,381,885	\$ 702,610	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ -	\$ -	\$ 90,404,864	\$ 90,404,864	\$ -	\$ -	\$ -	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 15,999,164	\$ 19,302	\$ -	\$ 15,979,862	\$ -	\$ 249,218	\$ 7,721	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 186,737,691	\$ 186,737,691	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 223,255	\$ (37,981)	\$ 8,841,233	\$ -	\$ 280,250	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 7,236,708	\$ 7,236,708	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ -	\$ -	\$ 3,747,411	\$ 3,747,411	\$ -	\$ -	\$ -	\$ 127
Subtotal	\$ 25,101,634	\$ 242,557	\$ 288,088,693	\$ 312,947,769	\$ -	\$ 529,468	\$ 27,134	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 25,101,634	\$ 242,557	\$ 288,088,693	\$ 312,947,769	\$ -	\$ 529,468	\$ 27,134	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,330,841,879	\$ 153,354,242	\$ 290,986,252	\$ 1,468,473,889	\$ 26,127,274	\$ 130,575,216	\$ 4,038,905	\$ 169,144

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 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	Unamortized ITC as of 11/30/2012	Deferred Tax Balance as of 11/30/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 17,595,924	\$ 17,595,924	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 3,564,520	\$ 3,564,520	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 51,870	\$ 32,214,168	\$ 35,808,162	\$ -	\$ 1,077,916	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 51,870	\$ 53,374,611	\$ 56,968,605	\$ -	\$ 1,077,916	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 51,870	\$ 53,374,611	\$ 56,968,605	\$ -	\$ 1,077,916	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,334,487,742	\$ 153,406,112	\$ 344,360,864	\$ 1,525,442,494	\$ 26,127,274	\$ 131,653,133	\$ 4,048,336	\$ 171,551

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

RECEIVED
Conroy

JAN 18 2013

PUBLIC SERVICE
COMMISSION

Kentucky Utilities Company

State Regulation and Rates

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Louisville, Kentucky 40232

www.lge-ku.com

Robert M. Conroy

Director - Rates

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a PPL company

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

January 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of December 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the February 2013 billing cycle which begins January 30, 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a large, stylized flourish.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of December 2012**

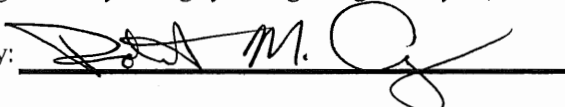
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,249,398
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		2.98%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	1,920,053
Group 2 ES Billing Factor -- ES Form 1.10; line 18	=		5.21%

Effective Date for Billing: February billing cycle beginning January 30, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: January 18, 2013

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of December 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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	1,310,645,920	\$ 89,752,710
(2) RB / 12	= \$	109,220,493	\$ 7,479,393
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.58%	10.14%
(4) OE	= \$	5,558,057	\$ 973,112
(5) BAS	= \$	(5,635)	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	17,119,220	\$ 1,731,522
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	18,850,742	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.62%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	16,328,513
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,693)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	12,659,369
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	3,169,451

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	=	39.42%	60.58%
(16) Group E(m) [(14) x (15)]	= \$	1,249,398	\$ 1,920,053
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	41,861,642	\$ 36,848,592
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.98%	5.21%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2012

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 1,427,795,794	\$ 3,645,863
Eligible Pollution CWIP Excluding AFUDC	216,773,534	86,160,944
Subtotal	\$ 1,644,569,328	\$ 89,806,807
Additions:		
Inventory - Limestone	\$ 733,010	
Less: Limestone Inventory in base rates	76,473	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	323,566	
Less: Allowance Inventory Baseline	69,415	
Net Emission Allowance Inventory	254,151	
Cash Working Capital Allowance	1,834,443	1,264,742
Subtotal	2,745,131	1,264,742
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	157,551,242	61,301
Pollution Control Deferred Income Taxes	151,558,211	1,257,538
Pollution Control Deferred Investment Tax Credit	27,559,086	
Subtotal	336,668,539	1,318,839
Environmental Compliance Rate Base	\$ 1,310,645,920	\$ 89,752,710

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,209,381	\$ 961,274
Monthly Depreciation & Amortization Expense	4,154,657	9,431
Monthly Taxes Other Than Income Taxes	169,144	2,407
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	29,737	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates (1/12 of \$58,345.76)	4,862	
Net Recoverable Emission Allowance Expense	24,875	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 5,558,057	\$ 973,112

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	44,962	50,597	(5,635)
Total Proceeds from Sales	\$ 44,962	\$ 50,597	\$ (5,635)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: December 31, 2012

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	85,304.36	39,144.00	0.00	58,346.00	66,102.36	
Dollars	\$ 793,499.54	\$ 372,480.72	\$ -	\$ 547,436.81	\$ 618,543.45	
\$/Ton	\$ 9.30	\$ 9.52		\$9.38	\$9.36	
At E.W. Brown:						
Tons	6,769.33	12,758.13	0.00	11,731.00	7,796.46	
Dollars	\$ 124,057.18	\$ 162,643.37	\$ -	\$ 172,233.55	\$ 114,467.00	
\$/Ton	\$ 18.33	\$ 12.75		\$14.68	\$ 14.68	

Ghent Limestone Inventory in Base Rates: \$ 76,473.34
 Net to be included in ECR \$ 656,537.11

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: December 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	Unamortized ITC as of 12/31/2012	Deferred Tax Balance as of 12/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ 835,046	\$ 114,797	\$ -	\$ 720,249	\$ -	\$ 110,358	\$ 1,941	\$ 93
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ 37,439,024	\$ 3,365,816	\$ -	\$ 34,073,208	\$ -	\$ 5,639,578	\$ 82,477	\$ 4,381
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ 1,080,760,291	\$ 149,275,207	\$ 2,459,682	\$ 933,944,765	\$ -	\$ 121,369,717	\$ 3,265,951	\$ 121,502
Subtotal	\$ 1,119,034,361	\$ 152,755,820	\$ 2,459,682	\$ 968,738,222	\$ -	\$ 127,119,653	\$ 3,350,369	\$ 125,975
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (18,749,043)	\$ (12,171,278)	\$ -	\$ (6,577,766)	\$ -	\$ (2,354,795)	\$ (41,209)	\$ (875)
Net Total - 2005 Plan:	\$ 1,100,285,317	\$ 140,584,543	\$ 2,459,682	\$ 962,160,456	\$ -	\$ 124,764,859	\$ 3,309,161	\$ 125,101
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ 190,567,822	\$ 15,380,195	\$ 536,005	\$ 175,723,632	\$ 27,559,086	\$ 6,832,512	\$ 666,873	\$ 22,584
Project 24 - Sorbent Injection	\$ 12,954,833	\$ 1,260,449	\$ -	\$ 11,694,385	\$ -	\$ 1,735,994	\$ 30,072	\$ 1,507
Project 25 - Mercury Monitors	\$ 1,031,953	\$ 185,085	\$ -	\$ 846,868	\$ -	\$ 86,840	\$ 3,424	\$ 111
Project 27 - E.W. Brown Electrostatic Precipitators	\$ 1,349,165	\$ 155,472	\$ -	\$ 1,193,693	\$ -	\$ 74,155	\$ 3,376	\$ 154
Subtotal	\$ 205,903,774	\$ 16,981,201	\$ 536,005	\$ 189,458,578	\$ 27,559,086	\$ 8,729,501	\$ 703,744	\$ 24,356
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ (448,846)	\$ (399,945)	\$ -	\$ (48,901)	\$ -	\$ (13,997)	\$ (1,134)	\$ (63)
Net Total - 2006 Plan:	\$ 205,454,928	\$ 16,581,256	\$ 536,005	\$ 189,409,677	\$ 27,559,086	\$ 8,715,504	\$ 702,610	\$ 24,293
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 92,674,495	\$ 108,120	\$ -	\$ 92,566,375	\$ -	\$ 16,671,786	\$ 108,120	\$ 7,223
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 15,999,164	\$ 27,023	\$ -	\$ 15,972,141	\$ -	\$ 331,791	\$ 7,721	\$ 1,825
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 206,360,416	\$ 206,360,416	\$ -	\$ -	\$ -	\$ 9,099
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 242,669	\$ (35,442)	\$ 8,824,358	\$ -	\$ 293,999	\$ 19,413	\$ 1,137
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 7,576,241	\$ 7,576,241	\$ -	\$ -	\$ -	\$ 341
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 7,632	\$ (123,368)	\$ 4,148,420	\$ -	\$ 780,272	\$ 7,632	\$ 127
Subtotal	\$ 122,055,549	\$ 385,444	\$ 213,777,847	\$ 335,447,952	\$ -	\$ 18,077,848	\$ 142,886	\$ 19,750
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 122,055,549	\$ 385,444	\$ 213,777,847	\$ 335,447,952	\$ -	\$ 18,077,848	\$ 142,886	\$ 19,750
Subtotal - Pre-2011 Plans:	\$ 1,427,795,794	\$ 157,551,242	\$ 216,773,534	\$ 1,487,018,086	\$ 27,559,086	\$ 151,558,211	\$ 4,154,657	\$ 169,144

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: December 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	Unamortized ITC as of 12/31/2012	Deferred Tax Balance as of 12/31/2012	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ -	\$ -	\$ 18,444,610	\$ 18,444,610	\$ -	\$ -	\$ -	\$ 1,784
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 5,003,936	\$ 5,003,936	\$ -	\$ -	\$ -	\$ 5
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 61,301	\$ 62,712,398	\$ 66,296,961	\$ -	\$ 1,257,538	\$ 9,431	\$ 618
Subtotal	\$ 3,645,863	\$ 61,301	\$ 86,160,944	\$ 89,745,506	\$ -	\$ 1,257,538	\$ 9,431	\$ 2,407
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 3,645,863	\$ 61,301	\$ 86,160,944	\$ 89,745,506	\$ -	\$ 1,257,538	\$ 9,431	\$ 2,407
Net Total - All Plans:	\$ 1,431,441,658	\$ 157,612,543	\$ 302,934,477	\$ 1,576,763,592	\$ 27,559,086	\$ 152,815,749	\$ 4,164,088	\$ 171,551

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: December 31, 2012

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	162,399	64	1,624	\$ 322,967.23	\$ 815.73	\$ 613.77	
2013	77,535						
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032 - 2041	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of December 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	168,413	0	6,014	0	0	162,399	
Dollars	\$ 334,927.41	\$ -	\$ 11,960.18	\$ -	\$ -	\$ 322,967.23	
\$/Allowance	\$ 1.99	\$ -	\$ 1.99	\$ -	\$ -	\$ 1.99	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	168,413	-	6,014	-	-	162,399	
Dollars	\$ 334,927.41	\$ -	\$ 11,960.18	\$ -	\$ -	\$ 322,967.23	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of December 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	0	0	0	0	1,624	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	-	-	-	-	1,383	
Dollars	\$ 522.69	\$ -	\$ -	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	-	-	-	-	241	
Dollars	\$ 91.08	\$ -	\$ -	\$ -	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2012

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,058	524	1,394	0	124	64	
Dollars	\$ -	\$ 20,174.00	\$ 17,777.00	\$ -	\$ 1,581.27	\$ 815.73	
\$/Allowance	\$ -	\$ 38.50	\$ 12.75	\$ -	\$ 12.75	\$ 12.75	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,000	-	1,394	-	124	6	Ending Inventory includes purchase from Market as shown
Dollars	\$ -	\$ -	\$ 17,777.00	\$ -	\$ 1,581.27	\$ 76.47	below; transferred 124 allowances to LG&E; Ending Inv. Dollars adjusted for non-recoverable allowances value.
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	58	-	0	0	0	58	Ending Inventory Dollars adjusted to reflect
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739.26	non-recoverable allowance value.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	524	0	0	0	0	Purchased 524 Annual NOx allowances from the market -
Dollars	\$ -	\$ 20,174.00	\$ -	\$ -	\$ -	\$ -	included in Ending Inventory-Coal Fuel as shown above
\$/Allowance	\$ -	\$ 38.50	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2012

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 1,074,115	\$ 896,992
10th Previous Month	1,091,566	628,606
9th Previous Month	1,301,042	810,612
8th Previous Month	1,396,178	655,990
7th Previous Month	1,004,624	858,614
6th Previous Month	1,042,794	988,605
5th Previous Month	1,194,784	944,696
4th Previous Month	1,446,290	966,596
3rd Previous Month	1,222,849	729,173
2nd Previous Month	1,948,509	641,256
Previous Month	743,412	1,035,524
Current Month	1,209,381	961,274
Total 12 Month O&M	\$ 14,675,544	\$ 10,117,939

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 14,675,544	\$ 10,117,939
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,834,443	\$ 1,264,742

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2012

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	172,233.55	398,544.43				570,777.98
512055 - ECR Scrubber Maintenance	145,881.19	165,378.11				311,259.30
Total 2005 Plan O&M Expenses	318,114.74	563,922.54				882,037.28
2006 Plan						
506159 - ECR Sorbent Injection Operation					8,287.52	8,287.52
506152 - ECR Sorbent Reactant - Reagent Only					196.30	196.30
512152 - ECR Sorbent Injection Maintenance					-	0.00
506150 - ECR Mercury Monitors Operation	1,312.92	3,666.88	-	-	1,762.18	6,741.98
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	0.00
506154 - ECR NOx Operation -- Consumables					310.74	310.74
506155 - ECR NOx Operation -- Labor and Other					19,670.58	19,670.58
512151 - ECR NOx Maintenance					20,792.84	20,792.84
502056 - ECR Scrubber Operations					330.75	330.75
512055 - ECR Scrubber Maintenance					161,707.34	161,707.34
506051 - ECR Precipitator Operation					7,339.85	7,339.85
506151 - ECR Activated Carbon					95,438.25	95,438.25
512051 - ECR Precipitator Maintenance					6,528.02	6,528.02
Total 2006 Plan O&M Expenses	1,312.92	3,666.88	-	-	322,364.37	327,344.17
2009 Plan						
506154 - ECR NOx Operation -- Consumables	-					-
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	-					-
506159 - ECR Sorbent Injection Operation	-					-
506152 - ECR Sorbent Reactant - Reagent Only	-					-
512152 - ECR Sorbent Injection Maintenance	-					-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	-	0.00			-	0.00
Subtotal - Pre-2011 Plans						
	319,427.66	567,589.42	-	-	322,364.37	1,209,381.45
2011 Plan						
506159 - ECR Sorbent Injection Operation	21,871.08	18,277.14				40,148.22
506152 - ECR Sorbent Reactant - Reagent Only	50,052.82	836,994.38				887,047.20
512152 - ECR Sorbent Injection Maintenance	21,733.47	12,345.51				34,078.98
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	93,657.37	867,617.03				961,274.40
Current Month O&M Expense for All Plans						
	413,085.03	1,435,206.45	-	-	322,364.37	2,170,655.85

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2012

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: December 31, 2012

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: December 31, 2012

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 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 Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)
Jan-12	\$ 32,954,435	\$ 18,495,325	\$ (400,088)	\$ 1,269,757	\$ 2,672,773	\$ 54,992,202	\$ 52,319,430
Feb-12	29,895,580	16,397,981	(218,606)	1,124,438	1,859,611	49,059,003	47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 41,861,642
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,186,002
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.42%

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)
Jan-12	\$ 33,713,169	\$ 24,534,863	\$ (612,116)	\$ 329,908	\$ 2,915,836	\$ 60,881,660	\$ 57,965,824	\$ 34,043,077
Feb-12	36,480,995	29,058,194	(413,455)	300,909	2,667,767	68,094,410	65,426,643	36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,324,359	\$ 36,848,592
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 106,186,002	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.58%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2012

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 100,359,147	\$ 100,359,147
(2) Fuel Adjustment Clause	\$ (2,305,406)	\$ (2,305,406)
(3) DSM	\$ 1,500,358	\$ 1,500,358
(4) Environmental Surcharge		\$ 4,067,254
(5) CSR Credits		\$ (983,468)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 99,554,098	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 758	\$ 758
(8) Virginia Retail	\$ 7,017,964	\$ 7,017,964
(9) Wholesale	\$ 8,014,668	\$ 8,014,668
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 346,545	\$ 346,545
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,379,935	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 114,934,033	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.62%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 6,745,273
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 4,587,542
(18) Total Company Revenues per Income Statement =		\$ 129,350,634



a PPL company

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

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FEB 18 2013

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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
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February 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of January 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the March 2013 billing cycle which begins February 28, 2013.

Pursuant to the Commission's Order in Case No. 2012-00221, all costs associated with the 2005 and 2006 ECR Plans, with the exception of Project 22 – Emission Allowances, are removed from the ECR monthly filing. KU will revise the ES Forms that include references to the 2005 and 2006 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 2005 and 2006 Plans.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy'. The signature is fluid and cursive, with a large, looping 'C' at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2013**

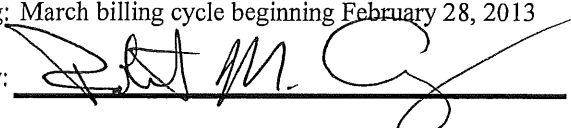
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	(1,815,745)
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		-4.30%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	(2,786,905)
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		-7.49%

Effective Date for Billing: March billing cycle beginning February 28, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: February 18, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	325,829,594	\$ 101,012,563
(2) RB / 12	= \$	27,152,466	\$ 8,417,714
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.26%	10.26%
(4) OE	= \$	357,629	\$ 1,009,622
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	\$ 3,143,472	\$ 1,873,279
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,016,751	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.57%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	4,343,001
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,694)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	8,445,957
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	(4,602,650)

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	=	39.45%	60.55%
(16) Group E(m) [(14) x (15)]	= \$	(1,815,745)	\$ (2,786,905)
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	42,216,573	\$ 37,184,264
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	-4.30%	-7.49%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plan	
Eligible Pollution Control Plant	\$	121,797,900	\$	4,492,530
Eligible Pollution CWIP Excluding AFUDC		222,823,729		96,567,479
Subtotal		\$ 344,621,629		\$ 101,060,009
Additions:				
Inventory - Limestone	\$	-		
Less: Limestone Inventory in base rates		-		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		319,897		
Less: Allowance Inventory Baseline		-		
Net Emission Allowance Inventory		319,897		
Cash Working Capital Allowance		18,239		1,276,541
Subtotal		338,136		1,276,541
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant		609,735		68,326
Pollution Control Deferred Income Taxes		18,520,436		1,255,661
Pollution Control Deferred Investment Tax Credit		-		
Subtotal		19,130,171		1,323,987
Environmental Compliance Rate Base	\$	325,829,594	\$	101,012,563

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 82,297	\$ 991,378
Monthly Depreciation & Amortization Expense	224,291	7,026
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,109	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	9,110	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 357,629	\$ 1,009,622

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: January 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2013

(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	Unamortized ITC as of 1/31/2013	Deferred Tax Balance as of 1/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 288,745	\$ -	\$ 91,504,679	\$ -	\$ 16,832,600	\$ 180,625	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 48,947	\$ -	\$ 16,573,639	\$ -	\$ 596,808	\$ 21,924	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ -	\$ -	\$ 215,209,816	\$ 215,209,816	\$ -	\$ -	\$ -	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 256,922	\$ (83,388)	\$ 8,762,160	\$ -	\$ 308,159	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 7,806,697	\$ 7,806,697	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 15,121	\$ (109,396)	\$ 4,154,904	\$ -	\$ 782,868	\$ 7,489	\$ 519
Subtotal	\$ 121,797,900	\$ 609,735	\$ 222,823,729	\$ 344,011,894	\$ -	\$ 18,520,436	\$ 224,291	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 121,797,900	\$ 609,735	\$ 222,823,729	\$ 344,011,894	\$ -	\$ 18,520,436	\$ 224,291	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 121,797,900	\$ 609,735	\$ 222,823,729	\$ 344,011,894	\$ -	\$ 18,520,436	\$ 224,291	\$ 41,931

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2013

(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	Unamortized ITC as of 1/31/2013	Deferred Tax Balance as of 1/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 18,817,216	\$ 19,663,883	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 5,162,468	\$ 5,162,468	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 68,326	\$ 72,587,795	\$ 76,165,332	\$ -	\$ 1,255,661	\$ 7,026	\$ 8,287
Subtotal	\$ 4,492,530	\$ 68,326	\$ 96,567,479	\$ 100,991,682	\$ -	\$ 1,255,661	\$ 7,026	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 4,492,530	\$ 68,326	\$ 96,567,479	\$ 100,991,682	\$ -	\$ 1,255,661	\$ 7,026	\$ 11,218
Net Total - All Plans:	\$ 126,290,430	\$ 678,061	\$ 319,391,208	\$ 445,003,577	\$ -	\$ 19,776,097	\$ 231,317	\$ 53,149

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: January 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	233,518	14,027	1,624	\$ 314,330.87	\$ 5,111.63	\$ 613.77	
2014	77,535						
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	162,399	77,535	6,416	0	0	233,518	
Dollars	\$ 322,967.23	\$ -	\$ 8,636.36	\$ -	\$ -	\$ 314,330.87	
\$/Allowance	\$ 1.99	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	162,399	77,535	6,416	-	-	233,518	Includes EPA allotment of 2013 vintage allowances
Dollars	\$ 322,967.23	\$ -	\$ 8,636.36	\$ -	\$ -	\$ 314,330.87	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of January 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	0	0	0	0	1,624	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	-	-	-	-	1,383	
Dollars	\$ 522.69	\$ -	\$ -	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	-	-	-	-	241	
Dollars	\$ 91.08	\$ -	\$ -	\$ -	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of January 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	64	15,264	1,297	4	0	14,027	
Dollars	\$ 815.73	\$ 4,770.00	\$ 472.64	\$ 1.46	\$ -	\$ 5,111.63	
\$/Allowance	\$ 12.75	\$ 0.31	\$ 0.36	\$ 0.37	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6	15,024	1,297	-	-	13,839	Ending Inventory includes purchase from Market shown below and EPA allotment of 2013 vintage allowances.
Dollars	\$ 76.47	\$ 5,439.29	\$ 472.64	\$ -	\$ -	\$ 5,043.12	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	58	134	0	4	0	188	Includes EPA allotment of 2013 vintage allowances
Dollars	\$ 739.26	\$ (669.29)	\$ -	\$ 1.46	\$ -	\$ 68.51	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	106	0	0	0	0	Purchased allowances from the market included in Ending Inventory shown above.
Dollars	\$ -	\$ 4,770.00	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 45.00	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ -	\$ 628,606
10th Previous Month	5,524	810,612
9th Previous Month	-	655,990
8th Previous Month	-	858,614
7th Previous Month	5,109	988,605
6th Previous Month	17,691	944,696
5th Previous Month	11,847	966,596
4th Previous Month	6,559	729,173
3rd Previous Month	10,355	641,256
2nd Previous Month	6,530	1,035,524
Previous Month	-	961,274
Current Month	82,297	991,378
Total 12 Month O&M	\$ 145,912	\$ 10,212,324

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	145,912	\$ 10,212,324
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	18,239	\$ 1,276,541

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
Total 2005 Plan O&M Expenses	-	-	-	-	-	-
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
512051 - ECR Precipitator Maintenance	-	-	-	-	-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	82,039.98	-	-	-	-	82,039.98
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	257.36	-	-	-	-	257.36
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502013 - ECR Landfill Operations	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	82,297.34	-	-	-	-	82,297.34
Subtotal - Pre-2011 Plans	82,297.34	-	-	-	-	82,297.34
2011 Plan						
506159 - ECR Sorbent Injection Operation	27,436.16	35,073.77	-	-	-	62,509.93
506152 - ECR Sorbent Reactant - Reagent Only	30,351.90	858,950.15	-	-	-	889,302.05
512152 - ECR Sorbent Injection Maintenance	-	39,565.59	-	-	-	39,565.59
506156 - ECR Baghouse Operations	-	-	-	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
502013 - ECR Landfill Operations	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Total 2011 Plan O&M Expenses	57,788.06	933,589.51	-	-	-	991,377.57
Current Month O&M Expense for All Plans	140,085.40	933,589.51	-	-	-	1,073,674.91

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2013

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: January 31, 2013

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: January 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Feb-12	\$ 29,895,580	\$ 16,397,981	\$ (218,606)	\$ 1,124,438	\$ 1,859,611	\$ 49,059,003	\$ 47,199,393
Mar-12	27,172,050	13,663,407	(53,037)	932,940	996,613	42,711,972	41,715,359
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 42,216,573
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 107,010,366
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.45%

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-12	\$ 36,480,995	\$ 29,058,194	\$ (413,455)	\$ 300,909	\$ 2,667,767	\$ 68,094,410	\$ 65,426,643	\$ 36,781,904
Mar-12	34,750,615	25,712,288	(107,803)	280,220	1,511,947	62,147,266	60,635,320	35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,793,793	\$ 37,184,264
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 107,010,366	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.55%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 120,979,384	\$ 120,979,384
(2) Fuel Adjustment Clause	\$ (3,052,796)	\$ (3,052,796)
(3) DSM	\$ 2,251,046	\$ 2,251,046
(4) Environmental Surcharge		\$ 4,203,246
(5) CSR Credits		\$ (961,758)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 120,177,633	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,099	\$ 1,099
(8) Virginia Retail	\$ 8,589,746	\$ 8,589,746
(9) Wholesale	\$ 9,537,675	\$ 9,537,675
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 513,525	\$ 513,525
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,642,045	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 138,819,678	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.57%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 3,651,602
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,202,663
(18) Total Company Revenues per Income Statement =		\$ 147,915,431



a PPL company

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

Kentucky Utilities 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, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of February 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the April 2013 billing cycle which begins March 28, 2013.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU'S 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in February 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a large, stylized 'C'.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
FED TAX ID # 27-2585037

INVOICE DATE: 2/1/2013
INVOICE #: 20130114
INVOICE PERIOD: 01/01/2013-01/31/2013
PROJECT NAME: Kentucky LGE Environmental Compliance
VANTAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
LGE Environmental Compliance / Monitoring

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	01/01/2013-01/31/2013	9	\$260	\$2,340.00	\$614.01	\$2,954.01	
Chuck Buechel	01/01/2013-01/31/2013	10	\$240	\$2,400.00	\$100.00	\$2,500.00	
Mike Boismenu	01/01/2013-01/31/2013	6	\$240	\$1,440.00		\$1,440.00	
SUB TOTALS		25		\$6,180.00	\$714.01	\$6,894.01	
TOTAL FEES							\$6,180.00
TOTAL PERSONAL EXPENSES							\$714.01
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$6,894.01
TOTAL MONTHLY INVOICE AMOUNT							\$6,894.01

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2013**

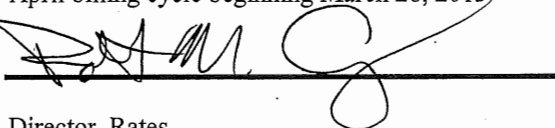
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,385,702
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		3.22%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,086,364
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		5.59%

Effective Date for Billing: April billing cycle beginning March 28, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: March 18, 2013

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	332,420,690	\$ 114,551,704
(2) RB / 12	= \$	27,701,724	\$ 9,545,975
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.26%	10.26%
(4) OE	= \$	307,103	\$ 1,060,408
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	\$ 3,149,300	\$ 2,039,825
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,189,125	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.24%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	4,526,993
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	(499,694)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	555,233
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	3,472,066

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	=	39.91%	60.09%
(16) Group E(m) [(14) x (15)]	= \$	1,385,702	\$ 2,086,364
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	43,024,592	\$ 37,337,389
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	3.22%	5.59%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 121,832,038	\$ 4,492,530
Eligible Pollution CWIP Excluding AFUDC	230,049,636	110,060,531
Subtotal	\$ 351,881,674	\$ 114,553,061
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	313,660	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	313,660	
Cash Working Capital Allowance	22,600	1,327,778
Subtotal	336,260	1,327,778
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	833,785	75,352
Pollution Control Deferred Income Taxes	18,963,459	1,253,783
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	19,797,244	1,329,135
Environmental Compliance Rate Base	\$ 332,420,690	\$ 114,551,704

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 34,886	\$ 1,038,510
Monthly Depreciation & Amortization Expense	224,050	7,026
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	6,236	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	6,236	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		3,654
Total Pollution Control Operations Expense	\$ 307,103	\$ 1,060,408

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: February 28, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2013

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 2/28/2013	(7) Deferred Tax Balance as of 2/28/2013	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 468,507	\$ 949,479	\$ 92,274,396	\$ -	\$ 16,993,413	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 71,291	\$ 163,866	\$ 16,715,162	\$ -	\$ 861,826	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 34,137	\$ 203	\$ 221,256,570	\$ 221,290,504	\$ -	\$ 435	\$ 203	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 271,174	\$ (131,999)	\$ 8,699,296	\$ -	\$ 322,320	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 7,900,765	\$ 7,900,765	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 22,610	\$ (89,045)	\$ 4,167,766	\$ -	\$ 785,464	\$ 7,489	\$ 519
Subtotal	\$ 121,832,038	\$ 833,785	\$ 230,049,636	\$ 351,047,889	\$ -	\$ 18,963,459	\$ 224,050	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 121,832,038	\$ 833,785	\$ 230,049,636	\$ 351,047,889	\$ -	\$ 18,963,459	\$ 224,050	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 121,832,038	\$ 833,785	\$ 230,049,636	\$ 351,047,889	\$ -	\$ 18,963,459	\$ 224,050	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2013

(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	Unamortized ITC as of 2/28/2013	Deferred Tax Balance as of 2/28/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 19,157,724	\$ 20,004,390	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 5,526,218	\$ 5,526,218	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 75,352	\$ 85,376,590	\$ 88,947,102	\$ -	\$ 1,253,783	\$ 7,026	\$ 8,287
Subtotal	\$ 4,492,530	\$ 75,352	\$ 110,060,531	\$ 114,477,710	\$ -	\$ 1,253,783	\$ 7,026	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 4,492,530	\$ 75,352	\$ 110,060,531	\$ 114,477,710	\$ -	\$ 1,253,783	\$ 7,026	\$ 11,218
Net Total - All Plans:	\$ 126,324,568	\$ 909,137	\$ 340,110,167	\$ 465,525,598	\$ -	\$ 20,217,242	\$ 231,076	\$ 53,149

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: February 28, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	229,208	12,834	1,624	\$ 308,529.32	\$ 4,676.89	\$ 613.77	
2014	77,535	15,158	-				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	233,518	0	4,310	0	0	229,208	
Dollars	\$ 314,330.87	\$ -	\$ 5,801.55	\$ -	\$ -	\$ 308,529.32	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	233,518	-	4,310	-	-	229,208	
Dollars	\$ 314,330.87	\$ -	\$ 5,801.55	\$ -	\$ -	\$ 308,529.32	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of February 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	0	0	0	0	1,624	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.38	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	-	-	-	-	1,383	
Dollars	\$ 522.69	\$ -	\$ -	\$ -	\$ -	\$ 522.69	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	-	-	-	-	241	
Dollars	\$ 91.08	\$ -	\$ -	\$ -	\$ -	\$ 91.08	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of February 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	14,027	0	1,193	0	0	12,834	
Dollars	\$ 5,111.63	\$ -	\$ 434.74	\$ -	\$ -	\$ 4,676.89	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ -	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,839	-	1,193	-	-	12,646	
Dollars	\$ 5,043.12	\$ -	\$ 434.74	\$ -	\$ -	\$ 4,608.38	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	188	-	0	0	0	188	
Dollars	\$ 68.51	\$ -	\$ -	\$ -	\$ -	\$ 68.51	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 5,524	\$ 810,612
10th Previous Month	-	655,990
9th Previous Month	-	858,614
8th Previous Month	5,109	988,605
7th Previous Month	17,691	944,696
6th Previous Month	11,847	966,596
5th Previous Month	6,559	729,173
4th Previous Month	10,355	641,256
3rd Previous Month	6,530	1,035,524
2nd Previous Month	-	961,274
Previous Month	82,297	991,378
Current Month	34,886	1,038,510
Total 12 Month O&M	\$ 180,798	\$ 10,622,228

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 180,798	\$ 10,622,228
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 22,600	\$ 1,327,778

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 28, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-		-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-		-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	33,020.18					33,020.18
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	1,865.40					1,865.40
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	34,885.58	-			-	34,885.58
Subtotal - Pre-2011 Plans	34,885.58	-	-	-	-	34,885.58
2011 Plan						
506159 - ECR Sorbent Injection Operation	61,897.20	30,652.44				92,549.64
506152 - ECR Sorbent Reactant - Reagent Only	23,126.15	896,951.35				920,077.50
512152 - ECR Sorbent Injection Maintenance	1,368	24,514.07				25,882.44
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	86,391.72	952,117.86				1,038,509.58
Current Month O&M Expense for All Plans	121,277.30	952,117.86	-	-	-	1,073,395.16

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: February 28, 2013

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: February 28, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: February 28, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)	
Mar-12	\$ 27,172,050	\$ 13,663,407	\$ (53,037)	\$ 932,940	\$ 996,613	\$ 42,711,972	\$ 41,715,359	
Apr-12	20,918,682	9,766,690	197,764	783,569	722,261	32,388,966	31,666,705	
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446	
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353	
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203	
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954	
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421	
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225	
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307	
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910	
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602	
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 43,024,592	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 107,808,713	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							39.91%	

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-12	\$ 34,750,615	\$ 25,712,288	\$ (107,803)	\$ 280,220	\$ 1,511,947	\$ 62,147,266	\$ 60,635,320	\$ 35,030,835
Apr-12	34,757,205	25,879,488	483,680	339,851	1,407,746	62,867,969	61,460,223	35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,784,122	\$ 37,337,389
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 107,808,713	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							60.09%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 119,897,244	\$ 119,897,244
(2) Fuel Adjustment Clause	\$ 159,153	\$ 159,153
(3) DSM	\$ 2,149,801	\$ 2,149,801
(4) Environmental Surcharge		\$ 3,736,659
(5) CSR Credits		\$ (1,016,344)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 122,206,198	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 902	\$ 902
(8) Virginia Retail	\$ 8,286,673	\$ 8,286,673
(9) Wholesale	\$ 9,328,654	\$ 9,328,654
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 258,071	\$ 258,071
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,874,300	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 140,080,499	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.24%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (14,304,786)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 10,987,606
(18) Total Company Revenues per Income Statement =		\$ 139,483,633



a PPL company

Attachment to Response to SV Question No. 2(b)

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APR 16 2013
Conroy

PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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 16, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of March 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00207, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the May 2013 billing cycle which begins April 26, 2013.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2013

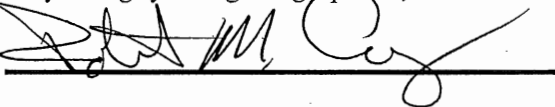
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,769,970
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.02%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,613,315
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		6.97%

Effective Date for Billing: May billing cycle beginning April 26, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: April 16, 2013

ES FORM 1.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of March 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	343,543,489	\$ 123,061,751
(2) RB / 12	= \$	28,628,624	\$ 10,255,146
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.26%	10.26%
(4) OE	= \$	320,720	\$ 1,214,022
(5) BAS	= \$	360	Not Applicable
(6) BR	= \$	-	Not Applicable
(7) E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	3,257,657	\$ 2,266,200
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,523,857	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.29%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	4,821,775
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00207	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	438,490
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	=	4,383,285

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	=	40.38%	59.62%
(16) Group E(m) $[(14) \times (15)]$	= \$	1,769,970	\$ 2,613,315
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	44,023,920	\$ 37,507,101
(18) Group Environmental Surcharge Billing Factors $[(16) \div (17)]$	=	4.02%	6.97%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 121,832,038	\$ 4,492,530
Eligible Pollution CWIP Excluding AFUDC	241,843,467	118,527,580
Subtotal	\$ 363,675,505	\$ 123,020,110
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	304,876	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	304,876	
Cash Working Capital Allowance	27,619	1,375,924
Subtotal	332,495	1,375,924
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,058,038	82,377
Pollution Control Deferred Income Taxes	19,406,473	1,251,906
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	20,464,511	1,334,283
Environmental Compliance Rate Base	\$ 343,543,489	\$ 123,061,751

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 45,674	\$ 1,195,778
Monthly Depreciation & Amortization Expense	224,253	7,026
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,862	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	0	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,862	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 320,720	\$ 1,214,022

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 Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 360	\$ -	\$ 360
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 360	\$ -	\$ 360

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: March 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2013

(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	Unamortized ITC as of 3/31/2013	Deferred Tax Balance as of 3/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 648,269	\$ 1,635,764	\$ 92,780,919	\$ -	\$ 17,154,227	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 93,634	\$ 371,172	\$ 16,900,125	\$ -	\$ 1,126,844	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 34,137	\$ 609	\$ 231,800,460	\$ 231,833,988	\$ -	\$ 862	\$ 406	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 285,427	\$ (112,236)	\$ 8,704,806	\$ -	\$ 336,480	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,032,813	\$ 8,032,813	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 30,099	\$ 115,495	\$ 4,364,816	\$ -	\$ 788,060	\$ 7,489	\$ 519
Subtotal	\$ 121,832,038	\$ 1,058,038	\$ 241,843,467	\$ 362,617,467	\$ -	\$ 19,406,473	\$ 224,253	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 121,832,038	\$ 1,058,038	\$ 241,843,467	\$ 362,617,467	\$ -	\$ 19,406,473	\$ 224,253	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 121,832,038	\$ 1,058,038	\$ 241,843,467	\$ 362,617,467	\$ -	\$ 19,406,473	\$ 224,253	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2013

(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	Unamortized ITC as of 3/31/2013	Deferred Tax Balance as of 3/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 19,558,744	\$ 20,405,410	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 6,019,431	\$ 6,019,431	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 3,645,863	\$ 82,377	\$ 92,949,405	\$ 96,512,891	\$ -	\$ 1,251,906	\$ 7,026	\$ 8,287
Subtotal	\$ 4,492,530	\$ 82,377	\$ 118,527,580	\$ 122,937,732	\$ -	\$ 1,251,906	\$ 7,026	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 4,492,530	\$ 82,377	\$ 118,527,580	\$ 122,937,732	\$ -	\$ 1,251,906	\$ 7,026	\$ 11,218
Net Total - All Plans:	\$ 126,324,568	\$ 1,140,416	\$ 360,371,047	\$ 485,555,199	\$ -	\$ 20,658,379	\$ 231,279	\$ 53,149

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: March 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	223,002	11,436	8,307	\$ 300,175.61	\$ 4,167.44	\$ 613.77	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of March 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	229,208	0	6,206	0	0	223,002	
Dollars	\$ 308,529.32	\$ (0.01)	\$ 8,353.70	\$ -	\$ -	\$ 300,175.61	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	229,208	-	6,206	-	-	223,002	
Dollars	\$ 308,529.32	\$ (0.01)	\$ 8,353.70	\$ -	\$ -	\$ 300,175.61	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of March 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,624	6,683	0	0	0	8,307	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.38	\$ -	\$ -	\$ -	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,383	6,749	-	-	-	8,132	Includes 2013 vintage allowances of 6,683; transfer of (95) allowances to CTs; and true-up adjustment of 161 allowances
Dollars	\$ 522.69	\$ 78.15	\$ -	\$ -	\$ -	\$ 600.84	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	241	(66)	-	-	-	175	Includes transfer of 95 allowances to CTs and true-up adjustment of (161) allowances
Dollars	\$ 91.08	\$ (78.15)	\$ -	\$ -	\$ -	\$ 12.93	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of March 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,834	0	1,396	2	0	11,436	
Dollars	\$ 4,676.89	\$ -	\$ 508.72	\$ 0.73	\$ -	\$ 4,167.44	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.37	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,646	-	1,396	-	-	11,250	
Dollars	\$ 4,608.38	\$ -	\$ 508.72	\$ -	\$ -	\$ 4,099.66	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	188	-	0	2	0	186	
Dollars	\$ 68.51	\$ -	\$ -	\$ 0.73	\$ -	\$ 67.78	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ -	\$ 655,990
10th Previous Month	-	858,614
9th Previous Month	5,109	988,605
8th Previous Month	17,691	944,696
7th Previous Month	11,847	966,596
6th Previous Month	6,559	729,173
5th Previous Month	10,355	641,256
4th Previous Month	6,530	1,035,524
3rd Previous Month	-	961,274
2nd Previous Month	82,297	991,378
Previous Month	34,886	1,038,510
Current Month	45,674	1,195,778
Total 12 Month O&M	\$ 220,948	\$ 11,007,394

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 220,948	\$ 11,007,394
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 27,619	\$ 1,375,924

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	31,466.24					31,466.24
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	14,207.68					14,207.68
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	45,673.92	-			-	45,673.92
Subtotal - Pre-2011 Plans						
	45,673.92	-	-	-	-	45,673.92
2011 Plan						
506159 - ECR Sorbent Injection Operation	23,658.16	33,886.80				57,544.96
506152 - ECR Sorbent Reactant - Reagent Only	76,551.84	1,038,134.13				1,114,685.97
512152 - ECR Sorbent Injection Maintenance	9,954	13,592.79				23,546.99
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	110,164.20	1,085,613.72				1,195,777.92
Current Month O&M Expense for All Plans						
	155,838.12	1,085,613.72	-	-	-	1,241,451.84

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2013

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM-2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: March 31, 2013

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: March 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	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 33						
(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 33 [(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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: March 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Apr-12	\$ 20,918,682	\$ 9,766,690	\$ 197,764	\$ 783,569	\$ 722,261	\$ 32,388,966	\$ 31,666,705
May-12	22,230,143	10,556,730	204,262	848,311	695,552	34,534,998	33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 44,023,920
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 109,018,755
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.38%

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)
Apr-12	\$ 34,757,205	\$ 25,879,488	\$ 483,680	\$ 339,851	\$ 1,407,746	\$ 62,867,969	\$ 61,460,223	\$ 35,097,056
May-12	36,169,762	25,668,822	488,805	350,360	1,318,872	63,996,621	62,677,749	36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Average Monthly Jurisdictional Revenues, Excluding Monthly Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 64,994,834	\$ 37,507,101
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 109,018,755	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.62%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 113,542,010	\$ 113,542,010
(2) Fuel Adjustment Clause	\$ 1,330,435	\$ 1,330,435
(3) DSM	\$ 1,998,729	\$ 1,998,729
(4) Environmental Surcharge		\$ (4,703,492)
(5) CSR Credits		\$ (1,043,015)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 116,871,175	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 819	\$ 819
(8) Virginia Retail	\$ 7,778,541	\$ 7,778,541
(9) Wholesale	\$ 8,832,241	\$ 8,832,241
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 405,037	\$ 405,037
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,016,637	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 133,887,812	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.29%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 12,509,823
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 3,966,036
(18) Total Company Revenues per Income Statement =		\$ 144,617,164

RECEIVED

MAY 17 2013

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

May 17, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of April 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June 2013 billing cycle which begins May 29, 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2013**

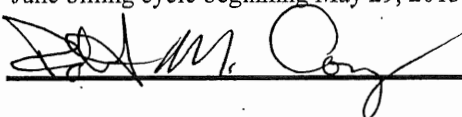
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,787,987
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		3.96%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,599,712
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		6.86%

Effective Date for Billing: June billing cycle beginning May 29, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: May 17, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of April 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	354,119,524	\$ 134,234,010
(2) RB / 12	= \$	29,509,960	\$ 11,186,168
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	359,961	\$ 1,110,758
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	13,657	Not Applicable
(7) E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	3,413,144	\$ 2,262,933
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,676,077	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.61%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $\{(8) \times (9)\}$	= \$	5,029,572
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	(218,511)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	423,362
(14) Adjusted Net Jurisdictional E(m) $\{(10) + (11) + (12) - (13)\}$	=	4,387,699

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	=	40.75%	59.25%
(16) Group E(m) $\{(14) \times (15)\}$	= \$	1,787,987	\$ 2,599,712
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,185,134	\$ 37,881,047
(18) Group Environmental Surcharge Billing Factors $\{(16) \div (17)\}$	=	3.96%	6.86%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 121,832,038	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	253,083,949	121,397,527
Subtotal	\$ 374,915,987	\$ 134,323,279
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	295,875	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	295,875	
Cash Working Capital Allowance	39,735	1,429,848
Subtotal	335,610	1,429,848
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,282,292	94,533
Pollution Control Deferred Income Taxes	19,849,781	1,424,584
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	21,132,073	1,519,117
Environmental Compliance Rate Base	\$ 354,119,524	\$ 134,234,010

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 84,776	\$ 1,087,384
Monthly Depreciation & Amortization Expense	224,253	12,156
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,001	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	9,001	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 359,961	\$ 1,110,758

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 12,907
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(750)
Net Beneficial Reuse Operations Expense	\$ 13,657

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: April 30, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2013

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 4/30/2013	(7) Deferred Tax Balance as of 4/30/2013	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 828,031	\$ 1,802,720	\$ 92,768,113	\$ -	\$ 17,315,040	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 115,977	\$ 823,389	\$ 17,329,999	\$ -	\$ 1,391,862	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 34,137	\$ 1,016	\$ 242,299,014	\$ 242,332,135	\$ -	\$ 1,581	\$ 406	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 299,680	\$ (56,573)	\$ 8,746,216	\$ -	\$ 350,641	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,147,621	\$ 8,147,621	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 37,588	\$ 67,778	\$ 4,309,611	\$ -	\$ 790,656	\$ 7,489	\$ 519
Subtotal	\$ 121,832,038	\$ 1,282,292	\$ 253,083,949	\$ 373,633,695	\$ -	\$ 19,849,781	\$ 224,253	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 121,832,038	\$ 1,282,292	\$ 253,083,949	\$ 373,633,695	\$ -	\$ 19,849,781	\$ 224,253	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 121,832,038	\$ 1,282,292	\$ 253,083,949	\$ 373,633,695	\$ -	\$ 19,849,781	\$ 224,253	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2013

(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	Unamortized ITC as of 4/30/2013	Deferred Tax Balance as of 4/30/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 19,823,476	\$ 20,670,142	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 6,573,719	\$ 6,573,719	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,079,086	\$ 94,533	\$ 95,000,333	\$ 106,984,885	\$ -	\$ 1,424,584	\$ 12,156	\$ 8,287
Subtotal	\$ 12,925,752	\$ 94,533	\$ 121,397,527	\$ 134,228,746	\$ -	\$ 1,424,584	\$ 12,156	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 12,925,752	\$ 94,533	\$ 121,397,527	\$ 134,228,746	\$ -	\$ 1,424,584	\$ 12,156	\$ 11,218
Net Total - All Plans:	\$ 134,757,790	\$ 1,376,825	\$ 374,481,476	\$ 507,862,441	\$ -	\$ 21,274,365	\$ 236,409	\$ 53,149

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: April 30, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	216,678	10,092	8,307	\$ 291,663.09	\$ 3,677.67	\$ 613.77	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	223,002	0	6,324	0	0	216,678	
Dollars	\$ 300,175.61	\$ -	\$ 8,512.52	\$ -	\$ -	\$ 291,663.09	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	223,002	-	6,324	-	-	216,678	
Dollars	\$ 300,175.61	\$ -	\$ 8,512.52	\$ -	\$ -	\$ 291,663.09	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of April 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,307	0	0	0	0	8,307	
Dollars	\$ 613.77	\$ -	\$ -	\$ -	\$ -	\$ 613.77	
\$/Allowance	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,132	-	-	-	-	8,132	
Dollars	\$ 600.84	\$ -	\$ -	\$ -	\$ -	\$ 600.84	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	175	-	-	-	-	175	
Dollars	\$ 12.93	\$ -	\$ -	\$ -	\$ -	\$ 12.93	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of April 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,436	0	1,340	4	0	10,092	
Dollars	\$ 4,167.44	\$ -	\$ 488.31	\$ 1.46	\$ -	\$ 3,677.67	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.37	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	11,250	-	1,340	-	-	9,910	
Dollars	\$ 4,099.66	\$ -	\$ 488.31	\$ -	\$ -	\$ 3,611.35	
					\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	186	-	0	4	0	182	
Dollars	\$ 67.78	\$ -	\$ -	\$ 1.46	\$ -	\$ 66.32	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ -	\$ 858,614
10th Previous Month	5,109	988,605
9th Previous Month	17,691	944,696
8th Previous Month	11,847	966,596
7th Previous Month	6,559	729,173
6th Previous Month	10,355	641,256
5th Previous Month	6,530	1,035,524
4th Previous Month	-	961,274
3rd Previous Month	82,297	991,378
2nd Previous Month	34,886	1,038,510
Previous Month	45,674	1,195,778
Current Month	96,934	1,087,384
Total 12 Month O&M	\$ 317,882	\$ 11,438,787

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	317,882	\$ 11,438,787
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	39,735	\$ 1,429,848

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	62,224.49					62,224.49
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	22,551.69					22,551.69
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations			-		-	-
512107 - ECR Landfill Maintenance			-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)						-
Total 2009 Plan O&M Expenses	84,776.18					84,776.18
Subtotal - Pre-2011 Plans	84,776.18	-	-	-	-	84,776.18
2011 Plan						
506159 - ECR Sorbent Injection Operation	23,577.92	36,396.65				59,974.57
506152 - ECR Sorbent Reactant - Reagent Only	42,595.63	956,410.15				999,005.78
512152 - ECR Sorbent Injection Maintenance	18,488	9,915.69				28,404.04
506156 - ECR Baghouse Operations	-					-
512156 - ECR Baghouse Maintenance	-					-
506151 - ECR Activated Carbon	-					-
502013 - ECR Landfill Operations	-					-
512107 - ECR Landfill Maintenance	-					-
Total 2011 Plan O&M Expenses	84,661.90	1,002,722.49				1,087,384.39
Current Month O&M Expense for All Plans	169,438.08	1,002,722.49	-	-	-	1,172,160.57

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: April 30, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	10,254.31
Synthetic Material, LLC	502011 - ECR Other Waste Disposal	Trimble County	2,652.80
Total Monthly Beneficial Reuse Expense			\$ 12,907.11
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (749.54)
Net Beneficial Reuse O&M Expense			\$ 12,157.57

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: April 30, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (8,994.51)	\$ (8,994.51)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (749.54)	\$ (749.54)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 12,907.11	\$ 12,907.11
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 12,157.57	\$ 12,157.57
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)]	\$ -	\$ -	\$ -	\$ -	\$ 12,157.57	\$ 12,157.57
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (749.54)	\$ (749.54)
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)	\$ -	\$ -	\$ -	\$ -	\$ (749.54)	\$ (749.54)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: April 30, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
May-12	\$ 22,230,143	\$ 10,556,730	\$ 204,262	\$ 848,311	\$ 695,552	\$ 34,534,998	\$ 33,839,446
Jun-12	25,708,798	12,697,911	216,265	1,029,379	1,256,494	40,908,848	39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 45,185,134
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 110,876,129
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.75%

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)
May-12	\$ 36,169,762	\$ 25,668,822	\$ 488,805	\$ 350,360	\$ 1,318,872	\$ 63,996,621	\$ 62,677,749	\$ 36,520,121
Jun-12	39,352,710	28,781,830	488,943	411,397	2,168,932	71,203,812	69,034,880	39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 65,690,994	\$ 37,881,047
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 110,876,129	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.25%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 110,988,710	\$ 110,988,710
(2) Fuel Adjustment Clause	\$ 2,615,772	\$ 2,615,772
(3) DSM	\$ 1,810,934	\$ 1,810,934
(4) Environmental Surcharge		\$ 3,215,309
(5) CSR Credits		\$ (1,926,711)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 115,415,416	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 565	\$ 565
(8) Virginia Retail	\$ 6,866,006	\$ 6,866,006
(9) Wholesale	\$ 7,711,163	\$ 7,711,163
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 262,027	\$ 262,027
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,839,761	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 130,255,177	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.61%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (16,102,778)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 5,971,514
(18) Total Company Revenues per Income Statement =		\$ 121,412,510



a PPL company

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

RECEIVED

JUN 14 2013

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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

June 14, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of May 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July 2013 billing cycle which begins June 26, 2013.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in May 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', with a large, stylized flourish at the end.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 5/1/2013
 INVOICE #: 20130114
 INVOICE PERIOD: 04/01/2013-04/30/2013
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	04/01/2013-04/30/2013	6	\$260	\$1,560.00		\$1,560.00	
Chuck Buechel	04/01/2013-04/30/2013	16	\$240	\$3,840.00	\$150.00	\$3,990.00	
Mike Boismenu	04/01/2013-04/30/2013	18	\$240	\$4,320.00	\$600.98	\$4,920.98	
SUB TOTALS		40		\$9,720.00	\$750.98	\$10,470.98	
TOTAL FEES							\$9,720.00
TOTAL PERSONAL EXPENSES							\$750.98
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$10,470.98
TOTAL MONTHLY INVOICE AMOUNT							\$10,470.98

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2013**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16 = \$ 1,920,995

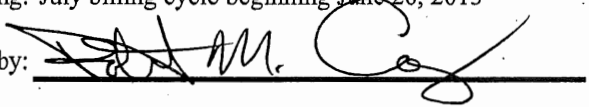
Group 1 ES Billing Factor -- ES Form 1.10, line 18 = 4.25%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16 = \$ 2,791,946

Group 2 ES Billing Factor -- ES Form 1.10, line 18 = 7.36%

Effective Date for Billing: July billing cycle beginning June 26, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: June 14, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of May 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	357,143,966	\$ 143,583,248
(2) RB / 12	= \$	29,761,997	\$ 11,965,271
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	375,475	\$ 1,156,160
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	44,656	Not Applicable
(7) E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	3,485,616	\$ 2,388,583
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,874,199	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.28%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,068,259
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	355,318
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	=	4,712,941

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	=	40.76%	59.24%
(16) Group E(m) $[(14) \times (15)]$	= \$	1,920,995	\$ 2,791,946
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,249,894	\$ 37,921,015
(18) Group Environmental Surcharge Billing Factors $[(16) \div (17)]$	=	4.25%	7.36%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	254,519,812	130,904,719
Subtotal	\$ 378,653,512	\$ 143,830,471
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	285,304	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	285,304	
Cash Working Capital Allowance	57,109	1,462,785
Subtotal	342,413	1,462,785
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,508,761	111,819
Pollution Control Deferred Income Taxes	20,343,198	1,598,189
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	21,851,959	1,710,008
Environmental Compliance Rate Base	\$ 357,143,966	\$ 143,583,248

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 96,504	\$ 1,122,106
Monthly Depreciation & Amortization Expense	226,469	17,286
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,571	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	10,571	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		5,550
Total Pollution Control Operations Expense	\$ 375,475	\$ 1,156,160

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 43,572
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,084)
Net Beneficial Reuse Operations Expense	\$ 44,656

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: May 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2013

(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	Unamortized ITC as of 5/31/2013	Deferred Tax Balance as of 5/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,007,794	\$ 1,955,718	\$ 92,741,349	\$ -	\$ 17,475,854	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 138,320	\$ 1,238,802	\$ 17,723,068	\$ -	\$ 1,656,880	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ 2,335,800	\$ 3,637	\$ 243,202,936	\$ 245,535,098	\$ -	\$ 52,411	\$ 2,622	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 313,933	\$ (54,317)	\$ 8,734,219	\$ -	\$ 364,801	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,262,582	\$ 8,262,582	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 45,077	\$ (85,909)	\$ 4,148,435	\$ -	\$ 793,252	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 1,508,761	\$ 254,519,812	\$ 377,144,751	\$ -	\$ 20,343,198	\$ 226,469	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 1,508,761	\$ 254,519,812	\$ 377,144,751	\$ -	\$ 20,343,198	\$ 226,469	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 1,508,761	\$ 254,519,812	\$ 377,144,751	\$ -	\$ 20,343,198	\$ 226,469	\$ 41,931

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2013

(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	Unamortized ITC as of 5/31/2013	Deferred Tax Balance as of 5/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 20,140,092	\$ 20,986,758	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 6,992,793	\$ 6,992,793	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,079,086	\$ 111,819	\$ 103,771,835	\$ 115,739,101	\$ -	\$ 1,598,189	\$ 17,286	\$ 8,287
Subtotal	\$ 12,925,752	\$ 111,819	\$ 130,904,719	\$ 143,718,652	\$ -	\$ 1,598,189	\$ 17,286	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 12,925,752	\$ 111,819	\$ 130,904,719	\$ 143,718,652	\$ -	\$ 1,598,189	\$ 17,286	\$ 11,218
Net Total - All Plans:	\$ 137,059,452	\$ 1,620,580	\$ 385,424,531	\$ 520,863,403	\$ -	\$ 21,941,387	\$ 243,755	\$ 53,149

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: May 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	209,282	8,685	6,900	\$ 281,707.57	\$ 3,164.94	\$ 509.81	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 -2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	216,678	0	7,396	0	0	209,282	
Dollars	\$ 291,663.09	\$ -	\$ 9,955.52	\$ -	\$ -	\$ 281,707.57	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	216,678	-	7,396	-	-	209,282	
Dollars	\$ 291,663.09	\$ -	\$ 9,955.52	\$ -	\$ -	\$ 281,707.57	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of May 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,307	0	1,405	2	0	6,900	
Dollars	\$ 613.77	\$ -	\$ 103.81	\$ 0.15	\$ -	\$ 509.81	
\$/Allowance	\$ 0.07	\$ -	\$ 0.07	\$ 0.08	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,132	-	1,405	-	-	6,727	
Dollars	\$ 600.84	\$ -	\$ 103.81	\$ -	\$ -	\$ 497.03	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	175	-	-	2	-	173	
Dollars	\$ 12.93	\$ -	\$ -	\$ 0.15	\$ -	\$ 12.78	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,092	0	1,405	2	0	8,685	
Dollars	\$ 3,677.67	\$ -	\$ 512.00	\$ 0.73	\$ -	\$ 3,164.94	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.37	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,910	-	1,405	-	-	8,505	
Dollars	\$ 3,611.35	\$ -	\$ 512.00	\$ -	\$ -	\$ 3,099.35	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	182	-	0	2	0	180	
Dollars	\$ 66.32	\$ -	\$ -	\$ 0.73	\$ -	\$ 65.59	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 5,109	\$ 988,605
10th Previous Month	17,691	944,696
9th Previous Month	11,847	966,596
8th Previous Month	6,559	729,173
7th Previous Month	10,355	641,256
6th Previous Month	6,530	1,035,524
5th Previous Month	-	961,274
4th Previous Month	82,297	991,378
3rd Previous Month	34,886	1,038,510
2nd Previous Month	45,674	1,195,778
Previous Month	96,934	1,087,384
Current Month	138,992	1,122,106
Total 12 Month O&M	\$ 456,874	\$ 11,702,279

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 456,874	\$ 11,702,279
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 57,109	\$ 1,462,785

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	75,760.64					75,760.64
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	20,743.16					20,743.16
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations			-		-	-
512107 - ECR Landfill Maintenance			-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-		-	-
Total 2009 Plan O&M Expenses	96,503.80		-		-	96,503.80
Subtotal - Pre-2011 Plans	96,503.80	-	-	-	-	96,503.80
2011 Plan						
506159 - ECR Sorbent Injection Operation	27,011.13	31,370.69				58,381.82
506152 - ECR Sorbent Reactant - Reagent Only	48,389.49	967,988.26				1,016,377.75
512152 - ECR Sorbent Injection Maintenance	(7,470)	54,815.89				47,345.97
506156 - ECR Baghouse Operations	-					-
512156 - ECR Baghouse Maintenance	-					-
506151 - ECR Activated Carbon	-					-
502013 - ECR Landfill Operations	-					-
512107 - ECR Landfill Maintenance	-					-
Total 2011 Plan O&M Expenses	67,930.70	1,054,174.84				1,122,105.54
Current Month O&M Expense for All Plans	164,434.50	1,054,174.84	-	-	-	1,218,609.34

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: May 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	31,199.65
Synthetic Material, LLC	502011 - ECR Other Waste Disposal	Trimble County	12,372.13
Total Monthly Beneficial Reuse Expense			\$ 43,571.78
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,083.80)
Net Beneficial Reuse O&M Expense			\$ 42,487.98

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (13,005.60)	\$ (13,005.60)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (1,083.80)	\$ (1,083.80)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 43,571.78	\$ 43,571.78
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 42,487.98	\$ 42,487.98
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)]	\$ -	\$ -	\$ -	\$ -	\$ 42,487.98	\$ 42,487.98
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (1,083.80)	\$ (1,083.80)
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)	\$ -	\$ -	\$ -	\$ -	\$ (1,083.80)	\$ (1,083.80)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Jun-12	\$ 25,708,798	\$ 12,697,911	\$ 216,265	\$ 1,029,379	\$ 1,256,494	\$ 40,908,848	\$ 39,652,353
Jul-12	32,182,623	16,670,016	2,136,798	1,363,766	1,489,651	53,842,854	52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 45,249,894
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,004,211
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.76%

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-12	\$ 39,352,710	\$ 28,781,830	\$ 488,943	\$ 411,397	\$ 2,168,932	\$ 71,203,812	\$ 69,034,880	\$ 39,764,107
Jul-12	40,594,102	28,559,957	3,452,652	457,654	2,059,105	75,123,470	73,064,365	41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 65,754,316	\$ 37,921,015
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,004,211	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.24%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 93,688,673	\$ 93,688,673
(2) Fuel Adjustment Clause	\$ 3,032,646	\$ 3,032,646
(3) DSM	\$ 1,332,858	\$ 1,332,858
(4) Environmental Surcharge		\$ 3,971,050
(5) CSR Credits		\$ (15,544)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 98,054,178	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 378	\$ 378
(8) Virginia Retail	\$ 5,211,097	\$ 5,211,097
(9) Wholesale	\$ 8,784,237	\$ 8,784,237
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,596,496	\$ 1,596,496
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,592,208	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 113,646,386	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.28%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 11,838,140
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,191,048
(18) Total Company Revenues per Income Statement =		\$ 131,631,080



JUL 19 2013

PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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

July 19, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of June 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the August 2013 billing cycle which begins July 29, 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', is written over a horizontal line. The signature is fluid and cursive.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of June 2013

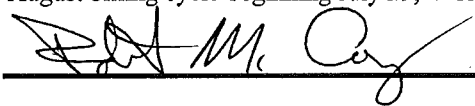
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	= \$	1,891,712
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=	4.17%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	= \$	2,753,947
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=	7.26%

Effective Date for Billing: August billing cycle beginning July 29, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: July 19, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of June 2013

Calculation of Total E(m)

$$E(m) = \{(RB / 12) (ROR + (ROR - DR)(TR / (1 - TR)))\} + OE - BAS + BR, \text{ where}$$

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	= \$	361,066,865	\$ 161,423,894
(2) RB / 12	= \$	30,088,905	\$ 13,451,991
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.30%	10.30%
(4) OE	= \$	342,121	\$ 921,672
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	20,760	Not Applicable
(7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	3,462,038	\$ 2,307,227
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,769,265	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.29%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,035,991
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	390,332
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	4,645,659

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	=	40.72%	59.28%
(16) Group E(m) [(14) x (15)]	= \$	1,891,712	\$ 2,753,947
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,316,543	\$ 37,941,869
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	4.17%	7.26%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	259,163,591	148,948,186
Subtotal	\$ 383,297,291	\$ 161,873,938
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	276,910	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	276,910	
Cash Working Capital Allowance	66,638	1,450,855
Subtotal	343,548	1,450,855
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,737,445	129,105
Pollution Control Deferred Income Taxes	20,836,529	1,771,794
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	22,573,974	1,900,899
Environmental Compliance Rate Base	\$ 361,066,865	\$ 161,423,894

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 63,111	\$ 893,168
Monthly Depreciation & Amortization Expense	228,684	17,286
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,394	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,395	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 342,121	\$ 921,672

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 19,494
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,266)
Net Beneficial Reuse Operations Expense	\$ 20,760

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: June 30, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2013

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 6/30/2013	(7) Deferred Tax Balance as of 6/30/2013	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,187,556	\$ 2,001,910	\$ 92,607,779	\$ -	\$ 17,636,667	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 160,663	\$ 1,443,148	\$ 17,905,071	\$ -	\$ 1,921,898	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 8,474	\$ 247,503,651	\$ 249,830,977	\$ -	\$ 103,154	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 328,186	\$ (66,076)	\$ 8,708,207	\$ -	\$ 378,962	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,357,161	\$ 8,357,161	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 52,566	\$ (76,203)	\$ 4,150,651	\$ -	\$ 795,849	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 1,737,445	\$ 259,163,591	\$ 381,559,846	\$ -	\$ 20,836,529	\$ 228,684	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 1,737,445	\$ 259,163,591	\$ 381,559,846	\$ -	\$ 20,836,529	\$ 228,684	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 1,737,445	\$ 259,163,591	\$ 381,559,846	\$ -	\$ 20,836,529	\$ 228,684	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2013

(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	Unamortized ITC as of 6/30/2013	Deferred Tax Balance as of 6/30/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 20,459,074	\$ 21,305,740	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 9,796,077	\$ 9,796,077	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,079,086	\$ 129,105	\$ 118,693,036	\$ 130,643,016	\$ -	\$ 1,771,794	\$ 17,286	\$ 8,287
Subtotal	\$ 12,925,752	\$ 129,105	\$ 148,948,186	\$ 161,744,833	\$ -	\$ 1,771,794	\$ 17,286	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2011 Plan:	\$ 12,925,752	\$ 129,105	\$ 148,948,186	\$ 161,744,833	\$ -	\$ 1,771,794	\$ 17,286	\$ 11,218
Net Total - All Plans:	\$ 137,059,452	\$ 1,866,550	\$ 408,111,777	\$ 543,304,679	\$ -	\$ 22,608,323	\$ 245,970	\$ 53,149

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: June 30, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	203,500	7,290	5,505	\$ 273,924.61	\$ 2,656.59	\$ 406.75	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	209,282	0	5,782	0	0	203,500	
Dollars	\$ 281,707.57	\$ -	\$ 7,782.96	\$ -	\$ -	\$ 273,924.61	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	209,282	-	5,782	-	-	203,500	
Dollars	\$ 281,707.57	\$ -	\$ 7,782.96	\$ -	\$ -	\$ 273,924.61	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of June 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,900	0	1,394	1	0	5,505	
Dollars	\$ 509.81	\$ -	\$ 102.99	\$ 0.07	\$ -	\$ 406.75	
\$/Allowance	\$ 0.07	\$ -	\$ 0.07	\$ 0.07	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,727	-	1,394	-	-	5,333	
Dollars	\$ 497.03	\$ -	\$ 102.99	\$ -	\$ -	\$ 394.04	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	173	-	-	1	-	172	
Dollars	\$ 12.78	\$ -	\$ -	\$ 0.07	\$ -	\$ 12.71	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	8,685	0	1,394	1	0	7,290	
Dollars	\$ 3,164.94	\$ -	\$ 507.99	\$ 0.36	\$ -	\$ 2,656.59	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.36	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	8,505	-	1,394	-	-	7,111	
Dollars	\$ 3,099.35	\$ -	\$ 507.99	\$ -	\$ -	\$ 2,591.36	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	180	-	0	1	0	179	
Dollars	\$ 65.59	\$ -	\$ -	\$ 0.36	\$ -	\$ 65.23	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 17,691	\$ 944,696
10th Previous Month	11,847	966,596
9th Previous Month	6,559	729,173
8th Previous Month	10,355	641,256
7th Previous Month	6,530	1,035,524
6th Previous Month	-	961,274
5th Previous Month	82,297	991,378
4th Previous Month	34,886	1,038,510
3rd Previous Month	45,674	1,195,778
2nd Previous Month	96,934	1,087,384
Previous Month	138,992	1,122,106
Current Month	81,339	893,168
Total 12 Month O&M	\$ 533,104	\$ 11,606,841

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	533,104	\$ 11,606,841
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	66,638	\$ 1,450,855

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: June 30, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	60,016.45					60,016.45
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	3,094.47					3,094.47
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	63,110.92	-			-	63,110.92
Subtotal - Pre-2011 Plans	63,110.92	-	-	-	-	63,110.92
2011 Plan						
506159 - ECR Sorbent Injection Operation	21,366.58	32,996.34				54,362.92
506152 - ECR Sorbent Reactant - Reagent Only	37,665.53	767,330.75				804,996.28
512152 - ECR Sorbent Injection Maintenance	3,141	30,666.98				33,808.38
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	62,173.51	830,994.07				893,167.58
Current Month O&M Expense for All Plans	125,284.43	830,994.07	-	-	-	956,278.50

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2013

On-Site CCP Disposal O&M Expense.	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: June 30, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	20,758.04
Synthetic Material, LLC	502011 - ECR Other Waste Disposal	Trimble County	-1,264.05
Total Monthly Beneficial Reuse Expense			\$ 19,493.99
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,265.97)
Net Beneficial Reuse O&M Expense			\$ 18,228.02

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: June 30, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (15,191.60)	\$ (15,191.60)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (1,265.97)	\$ (1,265.97)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 19,493.99	\$ 19,493.99
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 18,228.02	\$ 18,228.02
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)]	\$ -	\$ -	\$ -	\$ -	\$ 18,228.02	\$ 18,228.02
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (1,265.97)	\$ (1,265.97)
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)	\$ -	\$ -	\$ -	\$ -	\$ (1,265.97)	\$ (1,265.97)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: June 30, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Jul-12	\$ 32,182,623	\$ 16,670,016	\$ 2,136,798	\$ 1,363,766	\$ 1,489,651	\$ 53,842,854	\$ 52,353,203
Aug-12	31,286,581	16,131,715	710,550	1,314,107	786,147	50,229,100	49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 45,316,543
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,291,702
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.72%

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)
Jul-12	\$ 40,594,102	\$ 28,559,957	\$ 3,452,652	\$ 457,654	\$ 2,059,105	\$ 75,123,470	\$ 73,064,365	\$ 41,051,756
Aug-12	41,795,920	31,038,582	1,510,596	481,190	1,227,072	76,053,360	74,826,288	42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 65,975,159	\$ 37,941,869
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,291,702	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.28%	

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 104,054,828	\$ 104,054,828
(2) Fuel Adjustment Clause	\$ 6,427,595	\$ 6,427,595
(3) DSM	\$ 1,654,706	\$ 1,654,706
(4) Environmental Surcharge		\$ 4,356,249
(5) CSR Credits		\$ (1,194,886)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 112,137,129	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 431	\$ 431
(8) Virginia Retail	\$ 5,170,599	\$ 5,170,599
(9) Wholesale	\$ 9,790,647	\$ 9,790,647
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,360,130	\$ 1,360,130
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,321,806	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 128,458,935	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.29%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 3,906,624
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (4,997,917)
(18) Total Company Revenues per Income Statement =		\$ 130,529,005

AUG 16 2013
Conroy

PUBLIC SERVICE
COMMISSION



a PPL company

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

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Director - Rates
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August 16, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of July 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the September 2013 billing cycle which begins August 28, 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of July 2013**

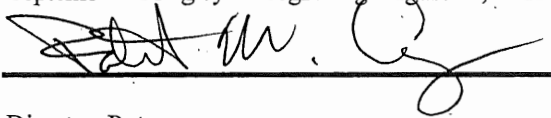
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,975,608
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.39%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,904,847
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		7.65%

Effective Date for Billing: September billing cycle beginning August 28, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: August 16, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of July 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	365,073,444	\$ 180,787,662
(2) RB / 12	= \$	30,422,787	\$ 15,065,639
(3) $(ROR + (ROR - DR)(TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	346,009	\$ 962,694
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	22,442	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	\$ 3,501,998	\$ 2,514,455
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	6,016,453	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.29%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	5,311,926
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	431,471
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	= \$	4,880,455

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	=	40.48%	59.52%
(16) Group E(m) $[(14) \times (15)]$	= \$	1,975,608	\$ 2,904,847
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	44,973,222	\$ 37,971,217
(18) Group Environmental Surcharge Billing Factors $[(16) \div (17)]$	=	4.39%	7.65%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,172,289
Eligible Pollution CWIP Excluding AFUDC	263,892,330	169,185,915
Subtotal	\$ 388,026,030	\$ 181,358,204
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	268,161	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	268,161	
Cash Working Capital Allowance	75,242	1,449,604
Subtotal	343,403	1,449,604
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,966,129	97,357
Pollution Control Deferred Income Taxes	21,329,860	1,922,789
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	23,295,989	2,020,146
Environmental Compliance Rate Base	\$ 365,073,444	\$ 180,787,662

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 66,644	\$ 934,686
Monthly Depreciation & Amortization Expense	228,684	16,791
Monthly Taxes Other Than Income Taxes	41,931	11,217
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,749	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,750	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 346,009	\$ 962,694

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 21,158
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,284)
Net Beneficial Reuse Operations Expense	\$ 22,442

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: July 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2013

(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	Unamortized ITC as of 7/31/2013	Deferred Tax Balance as of 7/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,367,318	\$ 2,443,486	\$ 92,869,593	\$ -	\$ 17,797,481	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 183,006	\$ 1,867,946	\$ 18,307,526	\$ -	\$ 2,186,916	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 13,311	\$ 251,232,349	\$ 253,554,838	\$ -	\$ 153,897	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 342,439	\$ (73,661)	\$ 8,686,369	\$ -	\$ 393,122	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,497,763	\$ 8,497,763	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 60,055	\$ (75,553)	\$ 4,143,812	\$ -	\$ 798,445	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 1,966,129	\$ 263,892,330	\$ 386,059,901	\$ -	\$ 21,329,860	\$ 228,684	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 1,966,129	\$ 263,892,330	\$ 386,059,901	\$ -	\$ 21,329,860	\$ 228,684	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 1,966,129	\$ 263,892,330	\$ 386,059,901	\$ -	\$ 21,329,860	\$ 228,684	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2013

(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	Unamortized ITC as of 7/31/2013	Deferred Tax Balance as of 7/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 20,635,247	\$ 21,481,913	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 12,020,938	\$ 12,020,938	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 11,376,711	\$ 146,007	\$ 136,529,730	\$ 147,760,435	\$ -	\$ 1,923,738	\$ 16,902	\$ 8,287
Subtotal	\$ 12,223,378	\$ 146,007	\$ 169,185,915	\$ 181,263,286	\$ -	\$ 1,923,738	\$ 16,902	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,172,289	\$ 97,357	\$ 169,185,915	\$ 181,260,846	\$ -	\$ 1,922,789	\$ 16,791	\$ 11,217
Net Total - All Plans:	\$ 136,305,989	\$ 2,063,486	\$ 433,078,245	\$ 567,320,747	\$ -	\$ 23,252,649	\$ 245,475	\$ 53,148

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: July 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	197,464	5,853	4,068	\$ 265,799.74	\$ 2,132.92	\$ 300.57	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	203,500	0	6,036	0	0	197,464	
Dollars	\$ 273,924.61	\$ -	\$ 8,124.87	\$ -	\$ -	\$ 265,799.74	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	203,500	-	6,036	-	-	197,464	
Dollars	\$ 273,924.61	\$ -	\$ 8,124.87	\$ -	\$ -	\$ 265,799.74	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of July 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,505	0	1,424	13	0	4,068	
Dollars	\$ 406.75	\$ -	\$ 105.22	\$ 0.96	\$ -	\$ 300.57	
\$/Allowance	\$ 0.07	\$ -	\$ 0.07	\$ 0.07	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,333	-	1,424	-	-	3,909	
Dollars	\$ 394.04	\$ -	\$ 105.22	\$ -	\$ -	\$ 288.82	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	172	-	-	13	-	159	
Dollars	\$ 12.71	\$ -	\$ -	\$ 0.96	\$ -	\$ 11.75	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT.
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of July 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,290	0	1,424	13	0	5,853	
Dollars	\$ 2,656.59	\$ -	\$ 518.93	\$ 4.74	\$ -	\$ 2,132.92	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.36	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,111	-	1,424	-	-	5,687	
Dollars	\$ 2,591.36	\$ -	\$ 518.93	\$ -	\$ -	\$ 2,072.43	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	179	-	0	13	0	166	
Dollars	\$ 65.23	\$ -	\$ -	\$ 4.74	\$ -	\$ 60.49	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 11,847	\$ 966,596
10th Previous Month	6,559	729,173
9th Previous Month	10,355	641,256
8th Previous Month	6,530	1,035,524
7th Previous Month	-	961,274
6th Previous Month	82,297	991,378
5th Previous Month	34,886	1,038,510
4th Previous Month	45,674	1,195,778
3rd Previous Month	96,934	1,087,384
2nd Previous Month	138,992	1,122,106
Previous Month	81,339	893,168
Current Month	86,519	934,686
Total 12 Month O&M	\$ 601,932	\$ 11,596,831

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 601,932	\$ 11,596,831
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 75,242	\$ 1,449,604

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: July 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
Total 2005 Plan O&M Expenses	-	-	-	-	-	-
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
512051 - ECR Precipitator Maintenance	-	-	-	-	-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	57,653.83	-	-	-	-	57,653.83
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	8,989.73	-	-	-	-	8,989.73
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502013 - ECR Landfill Operations	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	66,643.56	-	-	-	-	66,643.56
Subtotal - Pre-2011 Plans	66,643.56	-	-	-	-	66,643.56
2011 Plan						
506159 - ECR Sorbent Injection Operation	28,494.42	33,073.14	-	-	-	61,567.56
506152 - ECR Sorbent Reactant - Reagent Only	32,994.49	798,850.43	-	-	-	831,844.92
512152 - ECR Sorbent Injection Maintenance	4,601	36,671.70	-	-	-	41,273.12
506156 - ECR Baghouse Operations	-	-	-	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
502013 - ECR Landfill Operations -	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Total 2011 Plan O&M Expenses	66,090.33	868,595.27	-	-	-	934,685.60
Current Month O&M Expense for All Plans	132,733.89	868,595.27	-	-	-	1,001,329.16

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: July 31, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: July 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	21,158.32
Total Monthly Beneficial Reuse Expense			\$ 21,158.32
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,283.82)
Net Beneficial Reuse O&M Expense			\$ 19,874.50

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: July 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (15,405.82)	\$ (15,405.82)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (1,283.82)	\$ (1,283.82)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 21,158.32	\$ 21,158.32
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 19,874.50	\$ 19,874.50
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)]	\$ -	\$ -	\$ -	\$ -	\$ 19,874.50	\$ 19,874.50
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (1,283.82)	\$ (1,283.82)
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)	\$ -	\$ -	\$ -	\$ -	\$ (1,283.82)	\$ (1,283.82)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: July 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Aug-12	\$ 31,286,581	\$ 16,131,715	\$ 710,550	\$ 1,314,107	\$ 786,147	\$ 50,229,100	\$ 49,442,954
Sep-12	27,328,691	13,728,583	766,818	1,112,329	348,414	43,284,836	42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 44,973,222
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,098,671
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.48%

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)
Aug-12	\$ 41,795,920	\$ 31,038,582	\$ 1,510,596	\$ 481,190	\$ 1,227,072	\$ 76,053,360	\$ 74,826,288	\$ 42,277,110
Sep-12	37,731,889	26,808,428	1,467,674	417,484	556,748	66,982,224	66,425,476	38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 66,125,449	\$ 37,971,217
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,098,671	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.52%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 116,613,120	\$ 116,613,120
(2) Fuel Adjustment Clause	\$ 4,515,016	\$ 4,515,016
(3) DSM	\$ 1,973,062	\$ 1,973,062
(4) Environmental Surcharge		\$ 5,101,224
(5) CSR Credits		\$ (1,003,722)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 123,101,198	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 536	\$ 536
(8) Virginia Retail	\$ 5,263,434	\$ 5,263,434
(9) Wholesale	\$ 9,874,891	\$ 9,874,891
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,194,568	\$ 1,194,568
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,333,428	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 139,434,627	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.29%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (854,030)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 148,406
(18) Total Company Revenues per Income Statement =		\$ 142,826,504



a PPL company

RECEIVED
SEP 16 2013
PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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

September 16, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of August 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the October 2013 billing cycle which begins September 26, 2013.

It has come to my attention that the Net Beneficial Reuse Operations Expense was inadvertently overstated for the April through July 2013 expense months because the Adjustment for Beneficial Reuse in Base Rates was added instead of subtracted. The amount of the overstatement is reflected as a Prior Period Adjustment on ES Form 1.10 for the August 2013 expense month. Attached to this filing is Attachment 1 that includes the supporting calculations and revised ES Forms 1.10 and 2.00 for the April through July 2013 expense months.

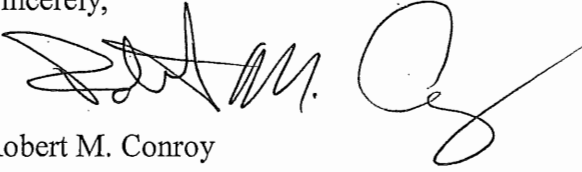
Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in August 2013.

Mr. Jeff DeRouen
September 16, 2013

Attachment to Response to SV Question No. 2(b)
Page 815 of 1211
Conroy

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

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Conroy". The signature is fluid and cursive, with a large, stylized "C" at the end.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 8/1/2013
 INVOICE #: 20130716
 INVOICE PERIOD: 07/01/2013-07/31/2013
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD. AMOUNT	TOTALS
Walt Drabinski	7/01/2013-07/31/2013	13	\$260	\$3,380.00	\$992.43	\$4,372.43	
Chuck Buechel	7/01/2013-07/31/2013	10	\$240	\$2,400.00	\$100.00	\$2,500.00	
Mike Boismenu	7/01/2013-07/31/2013	6	\$240	\$1,440.00		\$1,440.00	
SUB TOTALS		29		\$7,220.00	\$1,092.43	\$8,312.43	
TOTAL FEES							\$7,220.00
TOTAL PERSONAL EXPENSES							\$1,092.43
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$8,312.43
TOTAL MONTHLY INVOICE AMOUNT							\$8,312.43

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,
 PO Box 420395
 Summerland Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

Approved PO# 76771

Daryl Newby
 8/7/13

Robert M. Conroy 8/12/13

Robert M. Conroy
 Director - Rates
 LG&E and KU Energy, LLC

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2013**

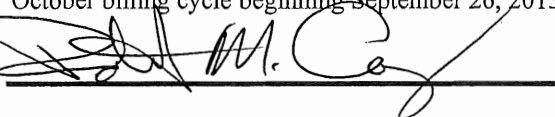
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	1,998,220
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.47%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	2,952,771
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		7.78%

Effective Date for Billing: October billing cycle beginning September 26, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: September 16, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of August 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	367,254,221	\$ 198,212,736
(2) RB / 12	= \$	30,604,518	\$ 16,517,728
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	345,332	\$ 923,991
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	23,940	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 3,521,537	\$ 2,625,317
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	6,146,854	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.53%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	5,380,341
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	(7,676)
(13) Revenue Collected through Base Rates	= \$	421,674
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	= \$	4,950,991

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	=	40.36%	59.64%
(16) Group E(m) $[(14) \times (15)]$	= \$	1,998,220	\$ 2,952,771
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	44,672,876	\$ 37,956,587
(18) Group Environmental Surcharge Billing Factors $[(16) \div (17)]$	=	4.47%	7.78%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,979,832
Eligible Pollution CWIP Excluding AFUDC	266,792,251	186,011,462
Subtotal	\$ 390,925,951	\$ 198,991,294
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	261,068	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	261,068	
Cash Working Capital Allowance	85,206	1,440,213
Subtotal	346,274	1,440,213
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,194,813	114,366
Pollution Control Deferred Income Taxes	21,823,191	2,104,405
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	24,018,004	2,218,771
Environmental Compliance Rate Base	\$ 367,254,221	\$ 198,212,736

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 67,623	\$ 891,470
Monthly Depreciation & Amortization Expense	228,684	16,898
Monthly Taxes Other Than Income Taxes	41,931	11,217
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	7,093	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	7,094	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		4,406
Total Pollution Control Operations Expense	\$ 345,332	\$ 923,991

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 25,300
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,360)
Net Beneficial Reuse Operations Expense	\$ 23,940

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: August 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -

Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2013

(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	Unamortized ITC as of 8/31/2013	Deferred Tax Balance as of 8/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,547,080	\$ 2,526,446	\$ 92,772,790	\$ -	\$ 17,958,294	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 205,350	\$ 2,155,360	\$ 18,572,597	\$ -	\$ 2,451,934	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 18,148	\$ 253,722,874	\$ 256,040,525	\$ -	\$ 204,640	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 356,692	\$ (71,024)	\$ 8,674,753	\$ -	\$ 407,283	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,534,150	\$ 8,534,150	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 67,544	\$ (75,553)	\$ 4,136,323	\$ -	\$ 801,041	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 2,194,813	\$ 266,792,251	\$ 388,731,138	\$ -	\$ 21,823,191	\$ 228,684	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 2,194,813	\$ 266,792,251	\$ 388,731,138	\$ -	\$ 21,823,191	\$ 228,684	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 2,194,813	\$ 266,792,251	\$ 388,731,138	\$ -	\$ 21,823,191	\$ 228,684	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2013

(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	Unamortized ITC as of 8/31/2013	Deferred Tax Balance as of 8/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 20,796,206	\$ 21,642,873	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 13,043,446	\$ 13,043,446	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 163,016	\$ 152,171,810	\$ 164,193,048	\$ -	\$ 2,105,354	\$ 17,009	\$ 8,287
Subtotal	\$ 13,030,921	\$ 163,016	\$ 186,011,462	\$ 198,879,367	\$ -	\$ 2,105,354	\$ 17,009	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 114,366	\$ 186,011,462	\$ 198,876,928	\$ -	\$ 2,104,405	\$ 16,898	\$ 11,217
Net Total - All Plans:	\$ 137,113,531	\$ 2,309,179	\$ 452,803,714	\$ 587,608,066	\$ -	\$ 23,927,597	\$ 245,582	\$ 53,148

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: August 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	192,710	4,268	2,483	\$ 259,400.55	\$ 1,555.33	\$ 183.46	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of August 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	197,464	0	4,754	0	0	192,710	
Dollars	\$ 265,799.74	\$ -	\$ 6,399.19	\$ -	\$ -	\$ 259,400.55	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	197,464	-	4,754	-	-	192,710	
Dollars	\$ 265,799.74	\$ -	\$ 6,399.19	\$ -	\$ -	\$ 259,400.55	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of August 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,068	0	1,583	2	0	2,483	
Dollars	\$ 300.57	\$ -	\$ 116.96	\$ 0.15	\$ -	\$ 183.46	
\$/Allowance	\$ 0.07	\$ -	\$ 0.07	\$ 0.07	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,909	-	1,583	-	-	2,326	
Dollars	\$ 288.82	\$ -	\$ 116.96	\$ -	\$ -	\$ 171.86	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	159	-	-	2	-	157	
Dollars	\$ 11.75	\$ -	\$ -	\$ 0.15	\$ -	\$ 11.60	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,853	0	1,583	2	0	4,268	
Dollars	\$ 2,132.92	\$ -	\$ 576.86	\$ 0.73	\$ -	\$ 1,555.33	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.36	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,687	-	1,583	-	-	4,104	
Dollars	\$ 2,072.43	\$ -	\$ 576.86	\$ -	\$ -	\$ 1,495.57	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	166	-	0	2	0	164	
Dollars	\$ 60.49	\$ -	\$ -	\$ 0.73	\$ -	\$ 59.76	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 6,559	\$ 729,173
10th Previous Month	10,355	641,256
9th Previous Month	6,530	1,035,524
8th Previous Month	-	961,274
7th Previous Month	82,297	991,378
6th Previous Month	34,886	1,038,510
5th Previous Month	45,674	1,195,778
4th Previous Month	96,934	1,087,384
3rd Previous Month	138,992	1,122,106
2nd Previous Month	81,339	893,168
Previous Month	86,519	934,686
Current Month	91,563	891,470
Total 12 Month O&M	\$ 681,648	\$ 11,521,705

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 681,648	\$ 11,521,705
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 85,206	\$ 1,440,213

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: August 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	53,792.47					53,792.47
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	13,830.81					13,830.81
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	67,623.28	-			-	67,623.28
Subtotal - Pre-2011 Plans	67,623.28	-	-	-	-	67,623.28
2011 Plan						
506159 - ECR Sorbent Injection Operation	28,113.12	34,777.46				62,890.58
506152 - ECR Sorbent Reactant - Reagent Only	32,709.19	781,606.98				814,316.17
512152 - ECR Sorbent Injection Maintenance	8,852	5,411.17				14,263.29
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	69,674.43	821,795.61				891,470.04
Current Month O&M Expense for All Plans	137,297.71	821,795.61	-	-	-	959,093.32

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

ES FORM 2.51

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: August 31, 2013**

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	25,300.23
Total Monthly Beneficial Reuse Expense			\$ 25,300.23
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,360.49)
Net Beneficial Reuse O&M Expense			\$ 23,939.74

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: August 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (16,325.87)	\$ (16,325.87)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (1,360.49)	\$ (1,360.49)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 25,300.23	\$ 25,300.23
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 23,939.74	\$ 23,939.74
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)]	\$ -	\$ -	\$ -	\$ -	\$ 23,939.74	\$ 23,939.74
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (1,360.49)	\$ (1,360.49)
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)	\$ -	\$ -	\$ -	\$ -	\$ (1,360.49)	\$ (1,360.49)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: August 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Sep-12	\$ 27,328,691	\$ 13,728,583	\$ 766,818	\$ 1,112,329	\$ 348,414	\$ 43,284,836	\$ 42,936,421
Oct-12	20,578,917	9,597,900	352,925	764,483	370,100	31,664,325	31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	38,001,916	37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	44,410,485	42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 44,672,876
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 110,694,637
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.36%

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)
Sep-12	\$ 37,731,889	\$ 26,808,428	\$ 1,467,674	\$ 417,484	\$ 556,748	\$ 66,982,224	\$ 66,425,476	\$ 38,149,374
Oct-12	35,821,417	26,791,481	1,023,734	360,224	737,463	64,734,318	63,996,855	36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	60,667,651	59,495,502	33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	59,210,868	56,883,189	33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 66,021,761	\$ 37,956,587
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 110,694,637	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.64%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 118,033,615	\$ 118,033,615
(2) Fuel Adjustment Clause	\$ (557,535)	\$ (557,535)
(3) DSM	\$ 1,944,753	\$ 1,944,753
(4) Environmental Surcharge		\$ 4,977,353
(5) CSR Credits		\$ (1,059,360)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 119,420,833	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 411	\$ 411
(8) Virginia Retail	\$ 5,346,857	\$ 5,346,857
(9) Wholesale	\$ 11,038,500	\$ 11,038,500
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 624,076	\$ 624,076
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,009,844	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 136,430,677	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.53%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 2,955,649
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,178,645
(18) Total Company Revenues per Income Statement =		\$ 145,482,964

Attachment 1

**Summary of Calculation of Prior
Period Adjustment included in the
August 2013 expense month filing and
revised ES Forms 1.10 and 2.0 for April
through July 2013 expense months**

Kentucky Utilities Company
Summary of Calculation of Prior Period Adjustment included
in the August 2013 Expense Month Filing

(1)	(2)	(3)	(4)	(5)	(6)
Expense Month	AS FILED Net Beneficial Reuse Operations Expense	REVISED Net Beneficial Reuse Operations Expense	Change to Operations Expense [(3) - (2)]	Juris Allocation Ratio	Change to Juris E(m)
Apr-13	\$ 13,657	\$ 12,158	\$ (1,499)	88.61%	\$ (1,328)
May-13	\$ 44,656	\$ 42,488	\$ (2,168)	86.28%	\$ (1,870)
Jun-13	\$ 20,760	\$ 18,228	\$ (2,532)	87.29%	\$ (2,210)
Jul-13	\$ 22,442	\$ 19,875	\$ (2,568)	88.29%	\$ (2,267)
Total Prior Period Adjustment					<u>\$ (7,676)</u>

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of April 2013 as Revised September 16, 2013

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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1) RB	= \$	354,119,524	\$	134,234,010
(2) RB / 12	= \$	29,509,960	\$	11,186,168
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.30%		10.30%
(4) OE	= \$	359,961	\$	1,110,758
(5) BAS	= \$	-		Not Applicable
(6) BR	= \$	12,158		Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	3,411,644	\$	2,262,933
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,674,577		

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.61%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,028,243
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	(218,511)
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	423,362
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	4,386,370

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	=	40.75%		59.25%
(16) Group E(m) [(14) x (15)]	= \$	1,787,446	\$	2,598,924
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,185,134	\$	37,881,047
(18) Group Environmental Surcharge Billing Factors [(16) + (17)]	=	3.96%		6.86%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2013 as Revised September 16, 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 121,832,038	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	253,083,949	121,397,527
Subtotal	\$ 374,915,987	\$ 134,323,279
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	295,875	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	295,875	
Cash Working Capital Allowance	39,735	1,429,848
Subtotal	335,610	1,429,848
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,282,292	94,533
Pollution Control Deferred Income Taxes	19,849,781	1,424,584
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	21,132,073	1,519,117
Environmental Compliance Rate Base	\$ 354,119,524	\$ 134,234,010

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 84,776	\$ 1,087,384
Monthly Depreciation & Amortization Expense	224,253	12,156
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,001	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	9,001	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 359,961	\$ 1,110,758

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 12,907
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(750)
Net Beneficial Reuse Operations Expense	\$ 12,158

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of May 2013 as Revised September 16, 2013

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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1)	RB	\$ 357,143,966	\$	143,583,248
(2)	RB / 12	29,761,997	\$	11,965,271
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	10.30%		10.30%
(4)	OE	\$ 375,475	\$	1,156,160
(5)	BAS	-		Not Applicable
(6)	BR	\$ 42,488		Not Applicable
(7)	E(m) (2) x (3) + (4) - (5) + (6)	\$ 3,483,449	\$	2,388,583
(8)	Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	\$ 5,872,032		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	= 86.28%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$ 5,066,389
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$ -
(12)	Prior Period Adjustment (if necessary)	= \$ -
(13)	Revenue Collected through Base Rates	= \$ 355,318
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$ 4,711,071

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	= 40.76%		59.24%
(16)	Group E(m) [(14) x (15)]	= \$ 1,920,233	\$	2,790,838
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 45,249,894	\$	37,921,015
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	= 4.24%		7.36%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2013 as Revised September 16, 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	254,519,812	130,904,719
Subtotal	\$ 378,653,512	\$ 143,830,471
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	285,304	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	285,304	
Cash Working Capital Allowance	57,109	1,462,785
Subtotal	342,413	1,462,785
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,508,761	111,819
Pollution Control Deferred Income Taxes	20,343,198	1,598,189
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	21,851,959	1,710,008
Environmental Compliance Rate Base	\$ 357,143,966	\$ 143,583,248

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 96,504	\$ 1,122,106
Monthly Depreciation & Amortization Expense	226,469	17,286
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,571	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	10,571	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		5,550
Total Pollution Control Operations Expense	\$ 375,475	\$ 1,156,160

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 43,572
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,084)
Net Beneficial Reuse Operations Expense	\$ 42,488

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 1.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of June 2013 as Revised September 16, 2013

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 Environmental Compliance Plans		2011 Environmental Compliance Plans
(1) RB	= \$	361,066,865	\$	161,423,894
(2) RB / 12	= \$	30,088,905	\$	13,451,991
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%		10.30%
(4) OE	= \$	342,121	\$	921,672
(5) BAS	= \$	-		Not Applicable
(6) BR	= \$	18,228		Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	3,459,506	\$	2,307,227
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	5,766,733		

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.29%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,033,781
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	390,332
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	4,643,449

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	=	40.72%		59.28%
(16) Group E(m) [(14) x (15)]	= \$	1,890,812	\$	2,752,637
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,316,543	\$	37,941,869
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	4.17%		7.25%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2013 as Revised September 16, 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,925,752
Eligible Pollution CWIP Excluding AFUDC	259,163,591	148,948,186
Subtotal	\$ 383,297,291	\$ 161,873,938
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	276,910	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	276,910	
Cash Working Capital Allowance	66,638	1,450,855
Subtotal	343,548	1,450,855
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,737,445	129,105
Pollution Control Deferred Income Taxes	20,836,529	1,771,794
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	22,573,974	1,900,899
Environmental Compliance Rate Base	\$ 361,066,865	\$ 161,423,894

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 63,111	\$ 893,168
Monthly Depreciation & Amortization Expense	228,684	17,286
Monthly Taxes Other Than Income Taxes	41,931	11,218
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,394	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,395	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 342,121	\$ 921,672

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 19,494
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,266)
Net Beneficial Reuse Operations Expense	\$ 18,228

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 1.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 2013 as Revised September 16, 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	365,073,444	\$ 180,787,662
(2) RB / 12	= \$	30,422,787	\$ 15,065,639
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.30%	10.30%
(4) OE	= \$	346,009	\$ 962,694
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	19,875	Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	\$ 3,499,431	\$ 2,514,455
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	6,013,886	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.29%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,309,660
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	431,471
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	4,878,189

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	=	40.48%	59.52%
(16) Group E(m) [(14) x (15)]	= \$	1,974,691	\$ 2,903,498
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	44,973,222	\$ 37,971,217
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	4.39%	7.65%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2013 as Revised September 16, 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,172,289
Eligible Pollution CWIP Excluding AFUDC	263,892,330	169,185,915
Subtotal	\$ 388,026,030	\$ 181,358,204
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	268,161	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	268,161	
Cash Working Capital Allowance	75,242	1,449,604
Subtotal	343,403	1,449,604
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,966,129	97,357
Pollution Control Deferred Income Taxes	21,329,860	1,922,789
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	23,295,989	2,020,146
Environmental Compliance Rate Base	\$ 365,073,444	\$ 180,787,662

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 66,644	\$ 934,686
Monthly Depreciation & Amortization Expense	228,684	16,791
Monthly Taxes Other Than Income Taxes	41,931	11,217
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,749	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,750	
Monthly Surcharge Consultant Fee		
Construction Monitoring Consultant Fee		
Total Pollution Control Operations Expense	\$ 346,009	\$ 962,694

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 21,158
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,284)
Net Beneficial Reuse Operations Expense	\$ 19,875

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	\$ -	\$ -	\$ -

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OCT 18 2013

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

October 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of September 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the November 2013 billing cycle which begins October 28, 2013.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2013**

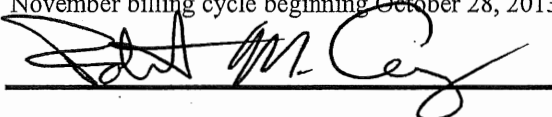
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	2,089,816
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.65%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	3,085,557
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		8.07%

Effective Date for Billing: ~~November billing cycle beginning October 28, 2013~~

Submitted by: 

Title: Director, Rates

Date Submitted: October 18, 2013

ES FORM 1.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of September 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	367,989,454	\$ 216,898,460
(2) RB / 12	= \$	30,665,788	\$ 18,074,872
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	350,303	\$ 924,224
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	18,498	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 3,527,378	\$ 2,785,936
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	6,313,314	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.74%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,602,435
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	427,062
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	5,175,373

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	=	40.38%	59.62%
(16) Group E(m) [(14) x (15)]	= \$	2,089,816	\$ 3,085,557
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	44,990,427	\$ 38,212,834
(18) Group Environmental Surcharge Billing Factors [(16) + (17)]	=	4.65%	8.07%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,979,832
Eligible Pollution CWIP Excluding AFUDC	268,245,881	204,875,497
Subtotal	\$ 392,379,581	\$ 217,855,329
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	254,103	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	254,103	
Cash Working Capital Allowance	95,789	1,461,019
Subtotal	349,892	1,461,019
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,423,497	131,866
Pollution Control Deferred Income Taxes	22,316,522	2,286,022
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	24,740,019	2,417,888
Environmental Compliance Rate Base	\$ 367,989,454	\$ 216,898,460

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 72,722	\$ 895,618
Monthly Depreciation & Amortization Expense	228,684	17,389
Monthly Taxes Other Than Income Taxes	41,931	11,217
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	6,965	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	6,966	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 350,303	\$ 924,224

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 20,021
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,522)
Net Beneficial Reuse Operations Expense	\$ 18,498

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT

Limestone Inventory

For the Month Ended: September 30, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2013

(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	Unamortized ITC as of 9/30/2013	Deferred Tax Balance as of 9/30/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,726,842	\$ 2,620,777	\$ 92,687,359	\$ -	\$ 18,119,108	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 227,693	\$ 2,327,550	\$ 18,722,443	\$ -	\$ 2,716,951	\$ 22,343	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ 2,335,800	\$ 22,985	\$ 254,529,471	\$ 256,842,286	\$ -	\$ 255,383	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 370,945	\$ (70,369)	\$ 8,661,155	\$ -	\$ 421,443	\$ 14,253	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 8,913,584	\$ 8,913,584	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 75,033	\$ (75,132)	\$ 4,129,255	\$ -	\$ 803,637	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 2,423,497	\$ 268,245,881	\$ 389,956,083	\$ -	\$ 22,316,522	\$ 228,684	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 2,423,497	\$ 268,245,881	\$ 389,956,083	\$ -	\$ 22,316,522	\$ 228,684	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 2,423,497	\$ 268,245,881	\$ 389,956,083	\$ -	\$ 22,316,522	\$ 228,684	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2013

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 9/30/2013	(7) Deferred Tax Balance as of 9/30/2013	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 21,135,122	\$ 21,981,789	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 13,362,489	\$ 13,362,489	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 180,516	\$ 170,377,886	\$ 182,381,624	\$ -	\$ 2,286,971	\$ 17,500	\$ 8,287
Subtotal	\$ 13,030,921	\$ 180,516	\$ 204,875,497	\$ 217,725,902	\$ -	\$ 2,286,971	\$ 17,500	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 131,866	\$ 204,875,497	\$ 217,723,463	\$ -	\$ 2,286,022	\$ 17,389	\$ 11,217
Net Total - All Plans:	\$ 137,113,531	\$ 2,555,363	\$ 473,121,378	\$ 607,679,546	\$ -	\$ 24,602,544	\$ 246,073	\$ 53,148

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: September 30, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	187,952	2,988	1,203	\$ 252,995.97	\$ 1,088.87	\$ 88.89	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of September 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	192,710	0	4,758	0	0	187,952	
Dollars	\$ 259,400.55	\$ -	\$ 6,404.58	\$ -	\$ -	\$ 252,995.97	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	192,710	-	4,758	-	-	187,952	
Dollars	\$ 259,400.55	\$ -	\$ 6,404.58	\$ -	\$ -	\$ 252,995.97	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of September 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	2,483	0	1,278	2	0	1,203	
Dollars	\$ 183.46	\$ -	\$ 94.42	\$ 0.15	\$ -	\$ 88.89	
\$/Allowance	\$ 0.07	\$ -	\$ 0.07	\$ 0.07	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,326	-	1,278	-	-	1,048	
Dollars	\$ 171.86	\$ -	\$ 94.42	\$ -	\$ -	\$ 77.44	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	157	-	-	2	-	155	
Dollars	\$ 11.60	\$ -	\$ -	\$ 0.15	\$ -	\$ 11.45	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of September 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,268	0	1,278	2	0	2,988	
Dollars	\$ 1,555.33	\$ -	\$ 465.73	\$ 0.73	\$ -	\$ 1,088.87	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.36	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,104	-	1,278	-	-	2,826	
Dollars	\$ 1,495.57	\$ -	\$ 465.73	\$ -	\$ -	\$ 1,029.84	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	164	-	0	2	0	162	
Dollars	\$ 59.76	\$ -	\$ -	\$ 0.73	\$ -	\$ 59.03	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 10,355	\$ 641,256
10th Previous Month	6,530	1,035,524
9th Previous Month	-	961,274
8th Previous Month	82,297	991,378
7th Previous Month	34,886	1,038,510
6th Previous Month	45,674	1,195,778
5th Previous Month	96,934	1,087,384
4th Previous Month	138,992	1,122,106
3rd Previous Month	81,339	893,168
2nd Previous Month	86,519	934,686
Previous Month	91,563	891,470
Current Month	91,220	895,618
Total 12 Month O&M	\$ 766,310	\$ 11,688,150

Determination of Working Capital Allowance		
12 Months O&M Expenses	\$ 766,310	\$ 11,688,150
One Eighth (1/8) of 12 Month O&M Expenses	1/8	1/8
Pollution Control Cash Working Capital Allowance	\$ 95,789	\$ 1,461,019

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Pollution Control - Operations & Maintenance Expenses

For the Month Ended: September 30, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-				-
512055 - ECR Scrubber Maintenance	-	-				-
Total 2005 Plan O&M Expenses	-	-				-
2006 Plan						
506159 - ECR Sorbent Injection Operation					-	-
506152 - ECR Sorbent Reactant - Reagent Only					-	-
512152 - ECR Sorbent Injection Maintenance					-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables					-	-
506155 - ECR NOx Operation -- Labor and Other					-	-
512151 - ECR NOx Maintenance					-	-
502056 - ECR Scrubber Operations					-	-
512055 - ECR Scrubber Maintenance					-	-
506051 - ECR Precipitator Operation					-	-
506151 - ECR Activated Carbon					-	-
512051 - ECR Precipitator Maintenance					-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	63,163.52					63,163.52
506155 - ECR NOx Operation -- Labor and Other	-					-
512151 - ECR NOx Maintenance	9,558.14					9,558.14
506159 - ECR Sorbent Injection Operation						-
506152 - ECR Sorbent Reactant - Reagent Only						-
512152 - ECR Sorbent Injection Maintenance						-
502013 - ECR Landfill Operations		-			-	-
512107 - ECR Landfill Maintenance		-			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-	-
Total 2009 Plan O&M Expenses	72,721.66	-			-	72,721.66
Subtotal - Pre-2011 Plans	72,721.66	-	-	-	-	72,721.66
2011 Plan						
506159 - ECR Sorbent Injection Operation	23,279.87	30,172.65				53,452.52
506152 - ECR Sorbent Reactant - Reagent Only	33,579.83	793,455.30				827,035.13
512152 - ECR Sorbent Injection Maintenance	2,655	12,475.40				15,130.08
506156 - ECR Baghouse Operations	-	-				-
512156 - ECR Baghouse Maintenance	-	-				-
506151 - ECR Activated Carbon	-	-				-
502013 - ECR Landfill Operations	-	-				-
512107 - ECR Landfill Maintenance	-	-				-
Total 2011 Plan O&M Expenses	59,514.38	836,103.35				895,617.73
Current Month O&M Expense for All Plans	132,236.04	836,103.35	-	-	-	968,339.39

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: September 30, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	20,020.72
Total Monthly Beneficial Reuse Expense			\$ 20,020.72
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,522.33)
Net Beneficial Reuse O&M Expense			\$ 18,498.39

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: September 30, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (18,267.91)	\$ (18,267.91)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (1,522.33)	\$ (1,522.33)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 20,020.72	\$ 20,020.72
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 18,498.39	\$ 18,498.39
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)]	\$ -	\$ -	\$ -	\$ -	\$ 18,498.39	\$ 18,498.39
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (1,522.33)	\$ (1,522.33)
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)	\$ -	\$ -	\$ -	\$ -	\$ (1,522.33)	\$ (1,522.33)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: September 30, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Oct-12	\$ 20,578,917	\$ 9,597,900	\$ 352,925	\$ 764,483	\$ 370,100	\$ 31,664,325	\$ 31,294,225
Nov-12	24,014,098	11,637,555	660,602	937,052	752,609	\$ 38,001,916	\$ 37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	\$ 44,410,485	\$ 42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	\$ 58,491,526	\$ 56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	\$ 58,593,958	\$ 56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	\$ 51,458,358	\$ 53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	\$ 47,009,123	\$ 45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	\$ 36,002,623	\$ 34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	\$ 42,054,519	\$ 40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	\$ 50,281,042	\$ 48,233,353
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	\$ 47,750,684	\$ 45,838,801
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	\$ 48,797,822	\$ 46,747,028
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 44,990,427
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,424,101
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.38%

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)
Oct-12	\$ 35,821,417	\$ 26,791,481	\$ 1,023,734	\$ 360,224	\$ 737,463	\$ 64,734,318	\$ 63,996,855	\$ 36,181,640
Nov-12	33,395,231	24,439,289	1,329,931	331,051	1,172,149	\$ 60,667,651	\$ 59,495,502	\$ 33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	\$ 59,210,868	\$ 56,883,189	\$ 33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	\$ 65,889,353	\$ 63,599,031	\$ 38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	\$ 67,348,899	\$ 65,310,584	\$ 38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	\$ 60,709,325	\$ 63,163,870	\$ 37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	\$ 71,621,601	\$ 69,814,144	\$ 39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	\$ 66,022,605	\$ 63,437,611	\$ 36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	\$ 74,438,859	\$ 71,684,995	\$ 40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	\$ 77,921,380	\$ 74,867,845	\$ 41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 66,433,674	\$ 38,212,834
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,424,101	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.62%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 117,224,750	\$ 117,224,750
(2) Fuel Adjustment Clause	\$ (1,099,599)	\$ (1,099,599)
(3) DSM	\$ 1,990,309	\$ 1,990,309
(4) Environmental Surcharge		\$ 5,211,545
(5) CSR Credits		\$ (1,070,349)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 118,115,460	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 442	\$ 442
(8) Virginia Retail	\$ 5,238,186	\$ 5,238,186
(9) Wholesale	\$ 9,235,222	\$ 9,235,222
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 508,455	\$ 508,455
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,982,305	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 133,097,765	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.74%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (13,989,132)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,059,506
(18) Total Company Revenues per Income Statement =		\$ 125,309,334

Question No. 2(b)
Page 862 of 1111
Conroy
NOV 15 2013
PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

November 15, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of October 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00546, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the December 2013 billing cycle which begins November 26, 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of October 2013**


GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 16	=	\$	2,170,385
Group 1 ES Billing Factor -- ES Form 1.10, line 18	=		4.78%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 16	=	\$	3,187,268
Group 2 ES Billing Factor -- ES Form 1.10, line 18	=		8.30%

Effective Date for Billing: December billing cycle beginning November 26, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: November 15, 2013

ES FORM 1.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of October 2013

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 Environmental Compliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	369,496,133	\$ 253,310,216
(2) RB / 12	= \$	30,791,344	\$ 21,109,185
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.30%	10.30%
(4) OE	= \$	338,806	\$ 878,249
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$	32,521	Not Applicable
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 3,542,836	\$ 3,052,495
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	= \$	6,595,331	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.95%
(10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	5,734,640
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00546	= \$	-
(12) Prior Period Adjustment (if necessary)	= \$	-
(13) Revenue Collected through Base Rates	= \$	376,987
(14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	5,357,653

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	=	40.51%	59.49%
(16) Group E(m) [(14) x (15)]	= \$	2,170,385	\$ 3,187,268
(17) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,370,180	\$ 38,390,951
(18) Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	4.78%	8.30%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2013

Determination of Environmental Compliance Rate Base

	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plan
Eligible Pollution Control Plant	\$ 124,133,700	\$ 12,979,832
Eligible Pollution CWIP Excluding AFUDC	270,482,081	241,460,321
Subtotal	\$ 394,615,781	\$ 254,440,153
Additions:		
Inventory - Limestone	\$ -	
Less: Limestone Inventory in base rates	-	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	245,116	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	245,116	
Cash Working Capital Allowance	104,484	1,487,067
Subtotal	349,600	1,487,067
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	2,663,989	149,366
Pollution Control Deferred Income Taxes	22,805,259	2,467,638
Pollution Control Deferred Investment Tax Credit	-	
Subtotal	25,469,248	2,617,004
Environmental Compliance Rate Base	\$ 369,496,133	\$ 253,310,216

Determination of Pollution Control Operating Expenses

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 47,395	\$ 849,643
Monthly Depreciation & Amortization Expense	240,492	17,389
Monthly Taxes Other Than Income Taxes	41,931	11,217
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	8,987	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense	8,988	
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 338,806	\$ 878,249

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 37,266
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(4,744)
Net Beneficial Reuse Operations Expense	\$ 32,521

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
 ENVIRONMENTAL SURCHARGE REPORT**

Limestone Inventory

For the Month Ended: October 31, 2013

	Beginning Inventory	Purchases	Other Adjustments	Utilized	Ending Inventory	Reason(s) for Adjustments
Spare Parts						
Limestone						
At Ghent:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	
At E.W. Brown:						
Tons	0.00	0.00	0.00	0.00	0.00	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Ton	\$ -	\$ -		\$ -	\$ -	

Ghent Limestone Inventory in Base Rates: \$ -
 Net to be included in ECR \$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2013

(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	Unamortized ITC as of 10/31/2013	Deferred Tax Balance as of 10/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan:								
Project 19 - Ash Handling at Ghent 1 and Ghent Station	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 20 - ATB Expansion at E.W. Brown Station (Phase I)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 21 - FGD's at all E.W. Brown Units and at Ghent 1, 3, and 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2005 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2006 Plan:								
Project 23 - TC2 AQCS Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 24 - Sorbent Injection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 25 - Mercury Monitors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project 27 - E.W. Brown Electrostatic Precipitators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 1,906,604	\$ 2,661,575	\$ 92,548,395	\$ -	\$ 18,279,921	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 260,216	\$ 2,396,256	\$ 18,758,627	\$ -	\$ 2,978,008	\$ 32,523	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 27,822	\$ 256,392,905	\$ 258,700,883	\$ -	\$ 306,127	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 386,826	\$ (70,804)	\$ 8,644,839	\$ -	\$ 434,970	\$ 15,881	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,188,093	\$ 9,188,093	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 82,522	\$ (85,943)	\$ 4,110,955	\$ -	\$ 806,233	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 2,663,989	\$ 270,482,081	\$ 391,951,792	\$ -	\$ 22,805,259	\$ 240,492	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 2,663,989	\$ 270,482,081	\$ 391,951,792	\$ -	\$ 22,805,259	\$ 240,492	\$ 41,931
Subtotal - Pre-2011 Plans:	\$ 124,133,700	\$ 2,663,989	\$ 270,482,081	\$ 391,951,792	\$ -	\$ 22,805,259	\$ 240,492	\$ 41,931

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2013

(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	Unamortized ITC as of 10/31/2013	Deferred Tax Balance as of 10/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 21,304,848	\$ 22,151,515	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 13,397,738	\$ 13,397,738	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 198,016	\$ 206,757,735	\$ 218,743,974	\$ -	\$ 2,468,587	\$ 17,500	\$ 8,287
Subtotal	\$ 13,030,921	\$ 198,016	\$ 241,460,321	\$ 254,293,227	\$ -	\$ 2,468,587	\$ 17,500	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 149,366	\$ 241,460,321	\$ 254,290,787	\$ -	\$ 2,467,638	\$ 17,389	\$ 11,217
Net Total - All Plans:	\$ 137,113,531	\$ 2,813,355	\$ 511,942,402	\$ 646,242,579	\$ -	\$ 25,272,897	\$ 257,881	\$ 53,148

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: October 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	181,634	1,659	1,203	\$ 244,491.52	\$ 604.56	\$ 88.89	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of October 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	187,952	0	6,318	0	0	181,634	
Dollars	\$ 252,995.97	\$ -	\$ 8,504.45	\$ -	\$ -	\$ 244,491.52	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	187,952	-	6,318	-	-	181,634	
Dollars	\$ 252,995.97	\$ -	\$ 8,504.45	\$ -	\$ -	\$ 244,491.52	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of October 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,203	0	0	0	0	1,203	
Dollars	\$ 88.89	\$ -	\$ -	\$ -	\$ -	\$ 88.89	
\$/Allowance	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,048	-	-	-	-	1,048	
Dollars	\$ 77.44	\$ -	\$ -	\$ -	\$ -	\$ 77.44	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	-	-	-	-	155	
Dollars	\$ 11.45	\$ -	\$ -	\$ -	\$ -	\$ 11.45	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of October 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	2,988	0	1,325	4	0	1,659	
Dollars	\$ 1,088.87	\$ -	\$ 482.85	\$ 1.46	\$ -	\$ 604.56	
\$/Allowance	\$ 0.36	\$ -	\$ 0.36	\$ 0.37	\$ -	\$ 0.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,826	-	1,325	-	-	1,501	
Dollars	\$ 1,029.84	\$ -	\$ 482.85	\$ -	\$ -	\$ 546.99	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	162	-	0	4	0	158	
Dollars	\$ 59.03	\$ -	\$ -	\$ 1.46	\$ -	\$ 57.57	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2013

Environmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 6,530	\$ 1,035,524
10th Previous Month	-	961,274
9th Previous Month	82,297	991,378
8th Previous Month	34,886	1,038,510
7th Previous Month	45,674	1,195,778
6th Previous Month	96,934	1,087,384
5th Previous Month	138,992	1,122,106
4th Previous Month	81,339	893,168
3rd Previous Month	86,519	934,686
2nd Previous Month	91,563	891,470
Previous Month	91,220	895,618
Current Month	79,916	849,643
Total 12 Month O&M	\$ 835,870	\$ 11,896,537

Determination of Working Capital Allowance			
12 Months O&M Expenses	\$	835,870	\$ 11,896,537
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8
Pollution Control Cash Working Capital Allowance	\$	104,484	\$ 1,487,067

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: October 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
2005 Plan						
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
Total 2005 Plan O&M Expenses	-	-	-	-	-	-
2006 Plan						
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
506150 - ECR Mercury Monitors Operation	-	-	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	-	-	-
506154 - ECR NOx Operation -- Consumables	-	-	-	-	-	-
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	-	-	-	-	-	-
502056 - ECR Scrubber Operations	-	-	-	-	-	-
512055 - ECR Scrubber Maintenance	-	-	-	-	-	-
506051 - ECR Precipitator Operation	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
512051 - ECR Precipitator Maintenance	-	-	-	-	-	-
Total 2006 Plan O&M Expenses	-	-	-	-	-	-
2009 Plan						
506154 - ECR NOx Operation -- Consumables	38,410.23	-	-	-	-	38,410.23
506155 - ECR NOx Operation -- Labor and Other	-	-	-	-	-	-
512151 - ECR NOx Maintenance	8,985.09	-	-	-	-	8,985.09
506159 - ECR Sorbent Injection Operation	-	-	-	-	-	-
506152 - ECR Sorbent Reactant - Reagent Only	-	-	-	-	-	-
512152 - ECR Sorbent Injection Maintenance	-	-	-	-	-	-
502013 - ECR Landfill Operations	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	-	-	-	-	-
Total 2009 Plan O&M Expenses	47,395.32	-	-	-	-	47,395.32
Subtotal - Pre-2011 Plans	47,395.32	-	-	-	-	47,395.32
2011 Plan						
506159 - ECR Sorbent Injection Operation	34,971.48	34,657.81	-	-	-	69,629.29
506152 - ECR Sorbent Reactant - Reagent Only	26,993.60	727,004.13	-	-	-	753,997.73
512152 - ECR Sorbent Injection Maintenance	-	26,016.44	-	-	-	26,016.44
506156 - ECR Baghouse Operations	-	-	-	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-	-	-	-
506151 - ECR Activated Carbon	-	-	-	-	-	-
502013 - ECR Landfill Operations	-	-	-	-	-	-
512107 - ECR Landfill Maintenance	-	-	-	-	-	-
Total 2011 Plan O&M Expenses	61,965.08	787,678.38	-	-	-	849,643.46
Current Month O&M Expense for All Plans	109,360.40	787,678.38	-	-	-	897,038.78

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2013

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: October 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	26,127.30
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	11,138.49
Total Monthly Beneficial Reuse Expense			\$ 37,265.79
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (4,744.40)
Net Beneficial Reuse O&M Expense			\$ 32,521.39

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Green River	Tyrone	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -	\$ (56,932.85)	\$ (56,932.85)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -	\$ (4,744.40)	\$ (4,744.40)
2009 Plan Project 33						
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -	\$ 37,265.79	\$ 37,265.79
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -	\$ 32,521.39	\$ 32,521.39
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)]	\$ -	\$ -	\$ -	\$ -	\$ 32,521.39	\$ 32,521.39
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -	\$ (4,744.40)	\$ (4,744.40)
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)	\$ -	\$ -	\$ -	\$ -	\$ (4,744.40)	\$ (4,744.40)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: October 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Nov-12	\$ 24,014,098	\$ 11,637,555	\$ 660,602	\$ 937,052	\$ 752,609	\$ 38,001,916	\$ 37,249,307
Dec-12	28,156,325	14,299,138	(943,731)	1,159,178	1,739,575	\$ 44,410,485	\$ 42,670,910
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	\$ 58,491,526	\$ 56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	\$ 58,593,958	\$ 56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	\$ 51,458,358	\$ 53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	\$ 47,009,123	\$ 45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	\$ 36,002,623	\$ 34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	\$ 42,054,519	\$ 40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	\$ 50,281,042	\$ 48,233,353
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	\$ 47,750,684	\$ 45,838,801
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	\$ 48,797,822	\$ 46,747,028
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	\$ 37,453,200	\$ 35,851,267
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 45,370,180
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,997,570
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.51%

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)
Nov-12	\$ 33,395,231	\$ 24,439,289	\$ 1,329,931	\$ 331,051	\$ 1,172,149	\$ 60,667,651	\$ 59,495,502	\$ 33,726,282
Dec-12	33,218,668	24,685,015	(1,361,675)	341,180	2,327,679	\$ 59,210,868	\$ 56,883,189	\$ 33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	\$ 65,889,353	\$ 63,599,031	\$ 38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	\$ 67,348,899	\$ 65,310,584	\$ 38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	\$ 60,709,325	\$ 63,163,870	\$ 37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	\$ 71,621,601	\$ 69,814,144	\$ 39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	\$ 66,022,605	\$ 63,437,611	\$ 36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	\$ 74,438,859	\$ 71,684,995	\$ 40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	\$ 77,921,380	\$ 74,867,845	\$ 41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 66,627,389	\$ 38,390,951
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,997,570	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.49%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 102,657,014	\$ 102,657,014
(2) Fuel Adjustment Clause	\$ (1,991,579)	\$ (1,991,579)
(3) DSM	\$ 1,507,272	\$ 1,507,272
(4) Environmental Surcharge		\$ 4,591,506
(5) CSR Credits		\$ (1,054,467)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 102,172,707	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 376	\$ 376
(8) Virginia Retail	\$ 4,734,364	\$ 4,734,364
(9) Wholesale	\$ 8,205,675	\$ 8,205,675
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,395,858	\$ 2,395,858
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,336,273	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 117,508,981	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.95%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 1,067,584
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,770,480
(18) Total Company Revenues per Income Statement =		\$ 124,884,084

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Conroy

DEC 20 2013

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of November 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the January 2014 billing cycle which begins December 31, 2013.

With this filing, KU revised the ES Forms as approved by the Commission in its Order in Case No. 2013-00242, the most recent two-year review case.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of November 2013

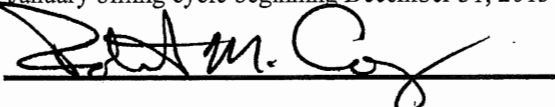
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,205,303
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		4.86%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	3,233,176
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		8.41%

Effective Date for Billing: January billing cycle beginning December 31, 2013

Submitted by: 

Title: Director, Rates

Date Submitted: December 20, 2013

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 2013

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

		Environmental Compliance Plans	
(1) RB	= \$	678,217,552	
(2) RB / 12	= \$	56,518,129	
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.10%	
(4) OE	= \$	1,433,642	
(5) BAS	= \$	-	
(6) BR	= \$	20,155	
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	7,162,128

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.11%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	6,238,930
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00242	= \$	(444,933)
(11) Prior Period Adjustment (if necessary)	= \$	-
(12) Revenue Collected through Base Rates	= \$	355,518
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	5,438,479

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	40.55%	59.45%
(15) Group E(m) [(13) x (14)]	= \$	2,205,303	\$ 3,233,176
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	45,373,396	\$ 38,424,572
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	4.86%	8.41%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2013

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 137,113,531	
Eligible Pollution CWIP Excluding AFUDC	568,299,924	
Subtotal		\$ 705,413,455
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 240,474	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	240,474	
Cash Working Capital Allowance	1,601,781	
Subtotal		1,842,255
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 3,071,347	
Pollution Control Deferred Income Taxes	25,966,811	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		29,038,158
Environmental Compliance Rate Base		\$ 678,217,552

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,103,738
Monthly Depreciation & Amortization Expense		257,881
Monthly Taxes Other Than Income Taxes		53,148
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	18,871	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	4	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		18,875
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,433,642

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 22,226
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,071)
Net Beneficial Reuse Operations Expense	\$ 20,155

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	\$ -	\$ -	\$ -

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2013

(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	Unamortized ITC as of 11/30/2013	Deferred Tax Balance as of 11/30/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 -Brown 3 SCR	\$ 91,793,424	\$ 2,086,366	\$ 2,880,823	\$ 92,587,881	\$ -	\$ 18,440,735	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 292,739	\$ 2,560,336	\$ 18,890,184	\$ -	\$ 3,239,065	\$ 32,523	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 32,659	\$ 259,510,405	\$ 261,813,546	\$ -	\$ 380,431	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 402,707	\$ (70,798)	\$ 8,628,965	\$ -	\$ 448,496	\$ 15,881	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,015,655	\$ 9,015,655	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 90,011	\$ (85,597)	\$ 4,103,812	\$ -	\$ 808,829	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 2,904,481	\$ 273,810,824	\$ 395,040,043	\$ -	\$ 23,317,556	\$ 240,492	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 2,904,481	\$ 273,810,824	\$ 395,040,043	\$ -	\$ 23,317,556	\$ 240,492	\$ 41,931
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 21,540,869	\$ 22,387,536	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 15,454,642	\$ 15,454,642	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent-Station Air Compliance	\$ 12,184,254	\$ 215,516	\$ 257,493,588	\$ 269,462,327	\$ -	\$ 2,650,204	\$ 17,500	\$ 8,287
Subtotal	\$ 13,030,921	\$ 215,516	\$ 294,489,100	\$ 307,304,505	\$ -	\$ 2,650,204	\$ 17,500	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 166,866	\$ 294,489,100	\$ 307,302,066	\$ -	\$ 2,649,255	\$ 17,389	\$ 11,217
Net Total - All Plans:	\$ 137,113,531	\$ 3,071,347	\$ 568,299,924	\$ 702,342,108	\$ -	\$ 25,966,811	\$ 257,881	\$ 53,148

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: November 30, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	175,468	696	1,203	\$ 236,191.68	\$ 5,409.99	\$ 88.89	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of November 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	181,634	0	6,166	0	0	175,468	
Dollars	\$ 244,491.52	\$ -	\$ 8,299.84	\$ -	\$ -	\$ 236,191.68	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	181,634	-	6,166	-	-	175,468	
Dollars	\$ 244,491.52	\$ -	\$ 8,299.84	\$ -	\$ -	\$ 236,191.68	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of November 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,203	0	0	0	0	1,203	
Dollars	\$ 88.89	\$ -	\$ -	\$ -	\$ -	\$ 88.89	
\$/Allowance	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,048	-	-	-	-	1,048	
Dollars	\$ 77.44	\$ -	\$ -	\$ -	\$ -	\$ 77.44	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	-	-	-	-	155	
Dollars	\$ 11.45	\$ -	\$ -	\$ -	\$ -	\$ 11.45	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of November 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,659	400	1,360	3	0	696	
Dollars	\$ 604.56	\$ 15,400.00	\$ 10,571.25	23.32	\$ -	\$ 5,409.99	
\$/Allowance	\$ 0.36	\$ 38.50	\$ 7.77	7.77	\$ -	\$ 7.77	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,501	-	1,360	-	-	541	Ending inventory includes purchases from the market
Dollars	\$ 546.99	\$ (1,170.56)	\$ 10,571.25	\$ -	\$ -	\$ 4,205.18	as shown below. Adjusted Ending Inventory Dollars
					\$ -		to reflect non-recoverable allowance value
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	158	-	0	3	0	155	Adjusted Ending Inventory Dollars to reflect
Dollars	\$ 57.57	\$ 1,170.56	\$ -	\$ 23.32	\$ -	\$ 1,204.81	non-recoverable allowance value.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	400	0	0	0	0	Purchased 400 allowances from the market included in
Dollars	\$ -	\$ 15,400.00	\$ -	\$ -	\$ -	\$ -	Ending Inventory - Coal Fuel shown above
\$/Allowance	\$ -	\$ 38.50	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2013

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 961,274
10th Previous Month	1,073,675
9th Previous Month	1,073,396
8th Previous Month	1,241,452
7th Previous Month	1,184,318
6th Previous Month	1,261,098
5th Previous Month	974,507
4th Previous Month	1,021,205
3rd Previous Month	983,033
2nd Previous Month	986,838
Previous Month	929,559
Current Month	1,123,893
Total 12 Month O&M	\$ 12,814,247

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 12,814,247
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,601,781

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: November 30, 2013

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	51,617.88			51,617.88
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	8,595.39			8,595.39
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	60,213.27	-	-	60,213.27
2011 Plan				
506159 - ECR Sorbent Injection Operation	24,761.12	35,488.03		60,249.15
506152 - ECR Sorbent Reactant - Reagent Only	44,781.60	926,627.41		971,409.01
512152 - ECR Sorbent Injection Maintenance	4,573.23	7,293.04		11,866.27
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	74,115.95	969,408.48		1,043,524.43
Current Month O&M Expense for All Plans	134,329.22	969,408.48	-	1,103,737.70

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: November 30, 2013

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	15,008.62
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,217.21
Total Monthly Beneficial Reuse Expense			\$ 22,225.83
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (2,070.73)
Net Beneficial Reuse O&M Expense			\$ 20,155.10

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities

For the Month Ended: November 30, 2013

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (24,848.76)	\$ (24,848.76)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,070.73)	\$ (2,070.73)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 22,225.83	\$ 22,225.83
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 20,155.10	\$ 20,155.10
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)]	\$ -	\$ -	\$ 20,155.10	\$ 20,155.10
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,070.73)	\$ (2,070.73)
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)	\$ -	\$ -	\$ (2,070.73)	\$ (2,070.73)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: November 30, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)	
Dec-12	\$ 28,156,325	\$ 14,299,138	\$ (943,731)	\$ 1,159,178	\$ 1,739,575	\$ 44,410,485	\$ 42,670,910	
Jan-13	37,045,884	18,966,032	(1,261,830)	1,828,515	1,912,924	58,491,526	56,578,602	
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614	
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305	
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272	
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567	
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134	
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 45,373,396	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,885,281	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.55%	

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)
Dec-12	\$ 33,218,668	\$ 24,685,015	\$ (1,361,675)	\$ 341,180	\$ 2,327,679	\$ 59,210,868	\$ 56,883,189	\$ 33,559,848
Jan-13	37,648,608	27,318,859	(1,790,966)	422,530	2,290,322	65,889,353	63,599,031	38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 66,511,885	\$ 38,424,572
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 111,885,281	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.45%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 96,183,174	\$ 96,183,174
(2) Fuel Adjustment Clause	\$ (2,324,403)	\$ (2,324,403)
(3) DSM	\$ 1,538,578	\$ 1,538,578
(4) Environmental Surcharge		\$ 4,496,282
(5) CSR Credits		\$ (1,039,062)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 95,397,349	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 644	\$ 644
(8) Virginia Retail	\$ 5,556,169	\$ 5,556,169
(9) Wholesale	\$ 7,994,811	\$ 7,994,811
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 570,946	\$ 570,946
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,122,570	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 109,519,919	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.11%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 14,687,845
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,862,205
(18) Total Company Revenues per Income Statement =		\$ 130,527,188

RECEIVED

Conroy
JAN 17 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

January 14, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of December 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the February 2014 billing cycle which begins January 30, 2014.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2013.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
FED TAX ID # 27-2585037

INVOICE DATE: 11/1/2013
INVOICE #: 20131017
INVOICE PERIOD: 10/01/2013-10/31/2013
PROJECT NAME: Kentucky LGE Environmental Compliance
VANTAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	0/01/2013-10/31/2013	15	\$260	\$3,900.00	\$1,098.65	\$4,998.65	
Chuck Buechel	0/01/2013-10/31/2013	20	\$240	\$4,800.00	\$225.00	\$5,025.00	
Mike Boismenu	0/01/2013-10/31/2013	24	\$240	\$5,760.00	\$1,148.17	\$6,908.17	
SUB TOTALS		59		\$14,460.00	\$2,471.82	\$16,931.82	
TOTAL FEES							\$14,460.00
TOTAL PERSONAL EXPENSES							\$2,471.82
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
<u>MISCELLANEOUS</u>							
Invoice Amount							\$16,931.82
TOTAL MONTHLY INVOICE AMOUNT							\$16,931.82

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.
PO Box 420395
Summerland Key, FL 33042
Attn: Walter P. Drabinski
305-744-3440

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of December 2013

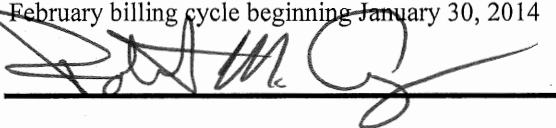
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,623,330
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		5.66%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	3,807,976
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		9.79%

Effective Date for Billing: February billing cycle beginning January 30, 2014

Submitted by: 

Title: Director, Rates

Date Submitted: January 17, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of December 2013

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

		Environmental Compliance Plans	
(1) RB	= \$	751,970,332	
(2) RB / 12	= \$	62,664,194	
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.10%	
(4) OE	= \$	1,623,866	
(5) BAS	= \$	-	
(6) BR	= \$	6,333	
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	7,959,282

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.55%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	6,888,759
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	457,453
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	6,431,306

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	= 40.79%	59.21%
(15)	Group E(m) [(13) x (14)]	= \$ 2,623,330	\$ 3,807,976
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 46,350,653	\$ 38,886,779
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	= 5.66%	9.79%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2013

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 137,113,531	
Eligible Pollution CWIP Excluding AFUDC	642,904,133	
Subtotal		\$ 780,017,664
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 287,694	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	287,694	
Cash Working Capital Allowance	1,631,476	
Subtotal		1,919,170
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 3,329,339	
Pollution Control Deferred Income Taxes	26,637,163	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		29,966,502
Environmental Compliance Rate Base		\$ 751,970,332

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,192,506
Monthly Depreciation & Amortization Expense		257,881
Monthly Taxes Other Than Income Taxes		53,148
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	111,356	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		111,357
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		8,974
Total Pollution Control Operations Expense		\$ 1,623,866

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan	
Total Monthly Beneficial Reuse Expense	\$	7,810
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(1,477)
Net Beneficial Reuse Operations Expense	\$	6,333

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2013

(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	Unamortized ITC as of 12/31/2013	Deferred Tax Balance as of 12/31/2013	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 2,266,128.39	\$ 3,041,715	\$ 92,569,011	\$ -	\$ 18,601,548	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 325,262.09	\$ 2,999,662	\$ 19,296,986	\$ -	\$ 3,500,122	\$ 32,523	\$ 1,997
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 37,495.67	\$ 289,804,626	\$ 292,102,930	\$ -	\$ 431,174	\$ 4,837	\$ 25,795
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 418,587.52	\$ (70,798)	\$ 8,613,084	\$ -	\$ 462,023	\$ 15,881	\$ 1,103
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,255,395	\$ 9,255,395	\$ -	\$ -	\$ -	\$ 947
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 97,499.51	\$ (85,597)	\$ 4,096,323	\$ -	\$ 811,425	\$ 7,489	\$ 519
Subtotal	\$ 124,133,700	\$ 3,144,973	\$ 304,945,003	\$ 425,933,729	\$ -	\$ 23,806,292	\$ 240,492	\$ 41,931
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 3,144,973	\$ 304,945,003	\$ 425,933,729	\$ -	\$ 23,806,292	\$ 240,492	\$ 41,931
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 28,065,507	\$ 28,912,174	\$ -	\$ -	\$ -	\$ 2,306
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 18,164,737	\$ 18,164,737	\$ -	\$ -	\$ -	\$ 625
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 233,015.53	\$ 291,728,886	\$ 303,680,125	\$ -	\$ 2,831,820	\$ 17,500	\$ 8,287
Subtotal	\$ 13,030,921	\$ 233,016	\$ 337,959,131	\$ 350,757,036	\$ -	\$ 2,831,820	\$ 17,500	\$ 11,218
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 184,366	\$ 337,959,131	\$ 350,754,596	\$ -	\$ 2,830,871	\$ 17,389	\$ 11,217
Net Total - All Plans:	\$ 137,113,531	\$ 3,329,339	\$ 642,904,133	\$ 776,688,326	\$ -	\$ 26,637,163	\$ 257,881	\$ 53,148

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: December 31, 2013

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	169,228	1,730	1,203	\$ 227,792.22	\$ 65,627.93	\$ 88.89	
2014	77,535	15,158	6,683				
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033 - 2042	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of December 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	175,468	0	6,240	0	0	169,228	
Dollars	\$ 236,191.68	\$ -	\$ 8,399.46	\$ -	\$ -	\$ 227,792.22	
\$/Allowance	\$ 1.35	\$ -	\$ 1.35	\$ -	\$ -	\$ 1.35	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	175,468	-	6,240	-	-	169,228	
Dollars	\$ 236,191.68	\$ -	\$ 8,399.46	\$ -	\$ -	\$ 227,792.22	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of December 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,203	0	0	0	0	1,203	
Dollars	\$ 88.89	\$ -	\$ -	\$ -	\$ -	\$ 88.89	
\$/Allowance	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ 0.07	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,048	-	-	-	-	1,048	
Dollars	\$ 77.44	\$ -	\$ -	\$ -	\$ -	\$ 77.44	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	-	-	-	-	155	
Dollars	\$ 11.45	\$ -	\$ -	\$ -	\$ -	\$ 11.45	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2013

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	696	3,750	2,714	2	0	1,730	
Dollars	\$ 5,409.99	\$ 163,250.00	\$ 102,956.19	\$ 75.87	\$ -	\$ 65,627.93	
\$/Allowance	\$ 7.77	\$ 43.53	\$ 37.94	\$ 37.94	\$ -	\$ 37.94	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	541	-	2,714	-	-	1,577	Ending inventory includes purchases from the market
Dollars	\$ 4,205.18	\$ (4,675.15)	\$ 102,956.19	\$ -	\$ -	\$ 59,823.84	as shown below. Adjusted Ending Inventory Dollars
					\$ -		to reflect non-recoverable allowance value
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	-	0	2	0	153	Adjusted Ending Inventory Dollars to reflect
Dollars	\$ 1,204.81	\$ 4,675.15	\$ -	\$ 75.87	\$ -	\$ 5,804.09	non-recoverable allowance value.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	3,750	0	0	0	0	Purchased 3,750 allowances from the market included in
Dollars	\$ -	\$ 163,250.00	\$ -	\$ -	\$ -		Ending Inventory - Coal Fuel shown above
\$/Allowance	\$ -	\$ 43.53	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2013

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,073,675
10th Previous Month	1,073,396
9th Previous Month	1,241,452
8th Previous Month	1,184,318
7th Previous Month	1,261,098
6th Previous Month	974,507
5th Previous Month	1,021,205
4th Previous Month	983,033
3rd Previous Month	986,838
2nd Previous Month	929,559
Previous Month	1,123,893
Current Month	1,198,839
Total 12 Month O&M	\$ 13,051,811

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,051,811
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,631,476

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2013

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	64,043.44			64,043.44
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	17,091.37			17,091.37
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	81,134.81	-	-	81,134.81
2011 Plan				
506159 - ECR Sorbent Injection Operation	23,276.94	37,105.87		60,382.81
506152 - ECR Sorbent Reactant - Reagent Only	29,287.42	1,014,265.25		1,043,552.67
512152 - ECR Sorbent Injection Maintenance	992.05	6,443.31		7,435.36
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	53,556.41	1,057,814.43		1,111,370.84
Current Month O&M Expense for All Plans				
	134,691.22	1,057,814.43	-	1,192,505.65

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2013

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: December 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,810.01
Total Monthly Beneficial Reuse Expense			\$ 7,810.01
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$ (1,477.09)
Net Beneficial Reuse O&M Expense			\$ 6,332.92

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: December 31, 2013

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (17,725.06)	\$ (17,725.06)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,477.09)	\$ (1,477.09)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 7,810.01	\$ 7,810.01
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 6,332.92	\$ 6,332.92
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)]	\$ -	\$ -	\$ 6,332.92	\$ 6,332.92
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,477.09)	\$ (1,477.09)
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)		\$ -	\$ -	\$ (1,477.09)	\$ (1,477.09)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 31, 2013

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)	Total Excluding Environmental Surcharge (7)-(6)
Jan-13	\$ 37,045,884	\$ 18,966,032	\$ (1,261,830)	\$ 1,828,515	\$ 1,912,924	\$ 58,491,526	\$ 56,578,602
Feb-13	36,953,014	18,064,638	131,942	1,746,020	1,698,344	58,593,958	56,895,614
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	51,458,358	53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	56,997,342	54,397,991
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 46,350,653
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 113,621,381
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							40.79%

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)
Jan-13	\$ 37,648,608	\$ 27,318,859	\$ (1,790,966)	\$ 422,530	\$ 2,290,322	\$ 65,889,353	\$ 63,599,031	\$ 38,071,138
Feb-13	38,215,616	26,663,976	27,211	403,781	2,038,315	67,348,899	65,310,584	38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	60,709,325	63,163,870	37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	69,219,658	65,989,301	39,106,325
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 67,270,728	\$ 38,886,779
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 113,621,381	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							59.21%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2013

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 123,230,788	\$ 123,230,788
(2) Fuel Adjustment Clause	\$ (5,158,493)	\$ (5,158,493)
(3) DSM	\$ 2,314,997	\$ 2,314,997
(4) Environmental Surcharge		\$ 5,829,708
(5) CSR Credits		\$ (1,015,255)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 120,387,292	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,073	\$ 1,073
(8) Virginia Retail	\$ 7,695,967	\$ 7,695,967
(9) Wholesale	\$ 9,302,146	\$ 9,302,146
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,707,322	\$ 1,707,322
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,706,508	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 139,093,800	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.55%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 3,706,386
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,554,421
(18) Total Company Revenues per Income Statement =		\$ 150,169,061

RECEIVED
FEB 21 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of January 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the March 2014 billing cycle which begins March 3, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2014**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	766,005
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		1.60%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	1,081,571
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		2.77%

Effective Date for Billing: March billing cycle beginning March 3, 2014

Submitted by: _____

Title: Director, Rates

Date Submitted: February 21, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2014

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

		Environmental Compliance Plans	
(1)	RB	= \$	770,708,068
(2)	RB / 12	= \$	64,225,672
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.10%
(4)	OE	= \$	1,645,695
(5)	BAS	= \$	-
(6)	BR	= \$	21,427
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	8,153,915

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	85.21%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	6,947,951
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	5,100,375
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	1,847,576

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.46%		58.54%
(15)	Group E(m) [(13) x (14)]	= \$	766,005	\$	1,081,571
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	47,746,375	\$	39,078,588
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	1.60%		2.77%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 137,113,531	
Eligible Pollution CWIP Excluding AFUDC	662,106,092	
Subtotal		\$ 799,219,623
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 281,027	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	281,027	
Cash Working Capital Allowance	1,659,866	
Subtotal		1,940,893
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 3,587,331	
Pollution Control Deferred Income Taxes	26,865,117	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		30,452,448
Environmental Compliance Rate Base		\$ 770,708,068

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,279,365
Monthly Depreciation & Amortization Expense		257,881
Monthly Taxes Other Than Income Taxes		97,090
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,358	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	1	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		11,359
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,645,695

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 23,284
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,857)
Net Beneficial Reuse Operations Expense	\$ 21,427

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2014

(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	Unamortized ITC as of 1/31/2014	Deferred Tax Balance as of 1/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 2,445,890.51	\$ 3,044,982	\$ 92,392,515	\$ -	\$ 18,771,745	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 357,785.19	\$ 2,942,079	\$ 19,206,881	\$ -	\$ 3,530,984	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 42,332.60	\$ 292,551,991	\$ 294,845,458	\$ -	\$ 432,406	\$ 4,837	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 434,468.39	\$ (70,798)	\$ 8,597,203	\$ -	\$ 474,071	\$ 15,881	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,440,369	\$ 9,440,369	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 104,988.50	\$ (85,597)	\$ 4,088,834	\$ -	\$ 813,608	\$ 7,489	\$ 512
Subtotal	\$ 124,133,700	\$ 3,385,465	\$ 307,823,026	\$ 428,571,260	\$ -	\$ 24,022,814	\$ 240,492	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 3,385,465	\$ 307,823,026	\$ 428,571,260	\$ -	\$ 24,022,814	\$ 240,492	\$ 53,246
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 28,486,590	\$ 29,333,257	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 19,247,369	\$ 19,247,369	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 250,515.50	\$ 306,549,107	\$ 318,482,845	\$ -	\$ 2,843,252	\$ 17,500	\$ 37,960
Subtotal	\$ 13,030,921	\$ 250,516	\$ 354,283,066	\$ 367,063,471	\$ -	\$ 2,843,252	\$ 17,500	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 201,866	\$ 354,283,066	\$ 367,061,031	\$ -	\$ 2,842,303	\$ 17,389	\$ 43,844
Net Total - All Plans:	\$ 137,113,531	\$ 3,587,331	\$ 662,106,092	\$ 795,632,292	\$ -	\$ 26,865,117	\$ 257,881	\$ 97,090

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: January 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	240,631	15,352	7,129	\$ 222,131.64	\$ 59,658.93	\$ 80.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	169,228	77,535	6,132	0	0	240,631	
Dollars	\$ 227,792.22	\$ -	\$ 5,660.58	\$ -	\$ -	\$ 222,131.64	
\$/Allowance	\$ 1.35	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	169,228	77,535	6,132	-	-	240,631	Includes 2014 vintage allowances of 77,535
Dollars	\$ 227,792.22	\$ -	\$ 5,660.58	\$ -	\$ -	\$ 222,131.64	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of January 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,203	5,991	65	0	0	7,129	
Dollars	\$ 88.89	\$ (7.80)	\$ 0.73	\$ -	\$ -	\$ 80.36	
\$/Allowance	\$ 0.07	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,048	6,051	65	0	0	7,034	Includes 2014 vintage allowances of 6,051 and true-up requested by EPA of 65 allowances for emissions in 2013 Ozone Season.
Dollars	\$ 77.44	\$ 2.58	\$ 0.73	\$ -	\$ -	\$ 79.29	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	155	(60)	-	-	-	95	Includes 2014 vintage allowances of 632 and surrender of 692 allowances as a penalty under the Consent Decree at Brown.
Dollars	\$ 11.45	\$ (10.38)	\$ -	\$ -	\$ -	\$ 1.07	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of January 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,730	15,158	1,466	70	0	15,352	
Dollars	\$ 65,627.93	\$ -	\$ 5,696.98	\$ 272.02	\$ -	\$ 59,658.93	
\$/Allowance	\$ 37.94	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,577	15,024	1,466	-	-	15,135	Includes 2014 vintage allowances of 15,024
Dollars	\$ 59,823.84	\$ 4,688.79	\$ 5,696.98	\$ -	\$ -	\$ 58,815.65	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	153	134	0	70	0	217	Includes 2014 vintage allowances of 134
Dollars	\$ 5,804.09	\$ (4,688.79)	\$ -	\$ 272.02	\$ -	\$ 843.28	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,073,396
10th Previous Month	1,241,452
9th Previous Month	1,184,318
8th Previous Month	1,261,098
7th Previous Month	974,507
6th Previous Month	1,021,205
5th Previous Month	983,033
4th Previous Month	986,838
3rd Previous Month	929,559
2nd Previous Month	1,123,893
Previous Month	1,198,839
Current Month	1,300,792
Total 12 Month O&M	\$ 13,278,929

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,278,929
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,659,866

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	49,183			49,183
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	32,150			32,150
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	81,333	-	-	81,333
2011 Plan				
506159 - ECR Sorbent Injection Operation	39,707	51,906		91,612
506152 - ECR Sorbent Reactant - Reagent Only	46,030	1,036,583		1,082,613
512152 - ECR Sorbent Injection Maintenance	1,061	22,747		23,808
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	86,798	1,111,235		1,198,033
Current Month O&M Expense for All Plans	168,130	1,111,235	-	1,279,365

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: January 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	15,830
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,454
Total Monthly Beneficial Reuse Expense			23,284
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,857)
Net Beneficial Reuse O&M Expense			21,427

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: January 31, 2014

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (22,283)	\$ (22,283)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,857)	\$ (1,857)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 23,284	\$ 23,284
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 21,427	\$ 21,427
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)]	\$ -	\$ -	\$ 21,427	\$ 21,427
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,857)	\$ (1,857)
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)		\$ -	\$ -	\$ (1,857)	\$ (1,857)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: January 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)	
Feb-13	\$ 36,953,014	\$ 18,064,638	\$ 131,942	\$ 1,746,020	\$ 1,698,344	\$ 58,593,958	\$ 56,895,614	
Mar-13	34,780,370	16,756,759	552,974	1,617,202	(2,248,946)	\$ 51,458,358	\$ 53,707,305	
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	\$ 47,009,123	\$ 45,601,272	
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	\$ 36,002,623	\$ 34,616,567	
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	\$ 42,054,519	\$ 40,452,134	
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	\$ 50,281,042	\$ 48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	\$ 47,750,684	\$ 45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	\$ 48,797,822	\$ 46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	\$ 37,453,200	\$ 35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	\$ 39,020,976	\$ 37,287,898	
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991	
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 47,746,375	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 115,165,957	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.46%	

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-13	\$ 38,215,616	\$ 26,663,976	\$ 27,211	\$ 403,781	\$ 2,038,315	\$ 67,348,899	\$ 65,310,584	\$ 38,619,397
Mar-13	36,685,851	25,319,031	777,461	381,527	(2,454,545)	\$ 60,709,325	\$ 63,163,870	\$ 37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	\$ 71,621,601	\$ 69,814,144	\$ 39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	\$ 66,022,605	\$ 63,437,611	\$ 36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	\$ 74,438,859	\$ 71,684,995	\$ 40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	\$ 77,921,380	\$ 74,867,845	\$ 41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 67,419,582	\$ 39,078,588
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 115,165,957	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.54%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 140,187,816	\$ 140,187,816
(2) Fuel Adjustment Clause	\$ (5,056,709)	\$ (5,056,709)
(3) DSM	\$ 3,581,441	\$ 3,581,441
(4) Environmental Surcharge		\$ 6,972,392
(5) CSR Credits		\$ 93,227
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 138,712,549	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,276	\$ 1,276
(8) Virginia Retail	\$ 9,999,094	\$ 9,999,094
(9) Wholesale	\$ 11,320,693	\$ 11,320,693
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 2,752,087	\$ 2,752,087
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 24,073,150	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 162,785,699	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	85.21%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 16,115,542
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 3,760,741
(18) Total Company Revenues per Income Statement =		\$ 189,727,601



a PPL company

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MAR 21 2014
PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of February 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the April 2014 billing cycle which begins April 1, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2014

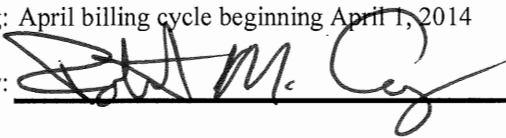
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	599,389
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		1.22%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	832,843
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		2.11%

Effective Date for Billing: April billing cycle beginning April 1, 2014

Submitted by: 

Title: Director, Rates

Date Submitted: March 21, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of February 2014

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

		Environmental Compliance Plans	
(1)	RB	= \$	784,851,040
(2)	RB / 12	= \$	65,404,253
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.10%
(4)	OE	= \$	1,487,374
(5)	BAS	= \$	-
(6)	BR	= \$	12,907
(7)	E(m)	= \$	8,106,110
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.79%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	7,035,293
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	5,603,061
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	1,432,232

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.85%		58.15%
(15)	Group E(m) [(13) x (14)]	= \$	599,389	\$	832,843
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	49,130,879	\$	39,557,020
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	1.22%		2.11%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 137,113,531	
Eligible Pollution CWIP Excluding AFUDC	676,738,428	
Subtotal		\$ 813,851,959
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 269,998	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	269,998	
Cash Working Capital Allowance	1,667,477	
Subtotal		1,937,475
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 3,845,323	
Pollution Control Deferred Income Taxes	27,093,071	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		30,938,394
Environmental Compliance Rate Base		\$ 784,851,040

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,121,375
Monthly Depreciation & Amortization Expense		257,881
Monthly Taxes Other Than Income Taxes		97,090
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,028	
Add KU Current Month TC2 SO ₂ Emission Allowance Expense not reflected on ES Form 2.31	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		11,028
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,487,374

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan	
Total Monthly Beneficial Reuse Expense	\$	14,726
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(1,819)
Net Beneficial Reuse Operations Expense	\$	12,907

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2014

(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	Unamortized ITC as of 2/28/2014	Deferred Tax Balance as of 2/28/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 2,625,652.63	\$ 3,047,236	\$ 92,215,007	\$ -	\$ 18,941,942	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 390,308.29	\$ 2,965,371	\$ 19,197,649	\$ -	\$ 3,561,846	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 47,169.53	\$ 294,106,964	\$ 296,395,594	\$ -	\$ 433,637	\$ 4,837	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 450,349.26	\$ (70,798)	\$ 8,581,322	\$ -	\$ 486,119	\$ 15,881	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,694,745	\$ 9,694,745	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 112,477.49	\$ (85,597)	\$ 4,081,345	\$ -	\$ 815,791	\$ 7,489	\$ 512
Subtotal	\$ 124,133,700	\$ 3,625,957	\$ 309,657,920	\$ 430,165,663	\$ -	\$ 24,239,336	\$ 240,492	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 3,625,957	\$ 309,657,920	\$ 430,165,663	\$ -	\$ 24,239,336	\$ 240,492	\$ 53,246
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 28,927,665	\$ 29,774,332	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 20,556,134	\$ 20,556,134	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 268,015.47	\$ 317,596,709	\$ 329,512,948	\$ -	\$ 2,854,684	\$ 17,500	\$ 37,960
Subtotal	\$ 13,030,921	\$ 268,015	\$ 367,080,508	\$ 379,843,413	\$ -	\$ 2,854,684	\$ 17,500	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 219,366	\$ 367,080,508	\$ 379,840,974	\$ -	\$ 2,853,735	\$ 17,389	\$ 43,844
Net Total - All Plans:	\$ 137,113,531	\$ 3,845,323	\$ 676,738,428	\$ 810,006,637	\$ -	\$ 27,093,071	\$ 257,881	\$ 97,090

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: February 28, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	235,041	13,821	7,129	\$ 216,971.39	\$ 53,709.36	\$ 80.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	240,631	0	5,590	0	0	235,041	
Dollars	\$ 222,131.64	\$ -	\$ 5,160.25	\$ -	\$ -	\$ 216,971.39	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	240,631	-	5,590	-	-	235,041	
Dollars	\$ 222,131.64	\$ -	\$ 5,160.25	\$ -	\$ -	\$ 216,971.39	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of February 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,129	0	0	0	0	7,129	
Dollars	\$ 80.36	\$ -	\$ -	\$ -	\$ -	\$ 80.36	
\$/Allowance	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,034	-	-	0	0	7,034	
Dollars	\$ 79.29	\$ -	\$ -	\$ -	\$ -	\$ 79.29	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	95	-	-	-	-	95	
Dollars	\$ 1.07	\$ -	\$ -	\$ -	\$ -	\$ 1.07	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of February 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15,352	0	1,510	21	0	13,821	
Dollars	\$ 59,658.93	\$ -	\$ 5,867.96	\$ 81.61	\$ -	\$ 53,709.36	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15,135	-	1,510	-	-	13,625	
Dollars	\$ 58,815.65	\$ -	\$ 5,867.96	\$ -	\$ -	\$ 52,947.69	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	217	-	0	21	0	196	
Dollars	\$ 843.28	\$ -	\$ -	\$ 81.61	\$ -	\$ 761.67	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,241,452
10th Previous Month	1,184,318
9th Previous Month	1,261,098
8th Previous Month	974,507
7th Previous Month	1,021,205
6th Previous Month	983,033
5th Previous Month	986,838
4th Previous Month	929,559
3rd Previous Month	1,123,893
2nd Previous Month	1,198,839
Previous Month	1,300,792
Current Month	1,134,282
Total 12 Month O&M	\$ 13,339,815

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,339,815
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,667,477

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 28, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	48,850			48,850
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	11,708			11,708
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	60,559	-	-	60,559
2011 Plan				
506159 - ECR Sorbent Injection Operation	27,040	47,058		74,098
506152 - ECR Sorbent Reactant - Reagent Only	37,237	927,892		965,128
512152 - ECR Sorbent Injection Maintenance	11,711	9,880		21,590
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	75,988	984,829		1,060,817
Current Month O&M Expense for All Plans				
	136,546	984,829	-	1,121,375

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: February 28, 2014

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	12,099
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	2,627
Total Monthly Beneficial Reuse Expense			14,726
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,819)
Net Beneficial Reuse O&M Expense			12,907

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (21,830)	\$ (21,830)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,819)	\$ (1,819)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 14,726	\$ 14,726
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 12,907	\$ 12,907
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)]	\$ -	\$ -	\$ 12,907	\$ 12,907
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,819)	\$ (1,819)
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)	\$ -	\$ -	\$ (1,819)	\$ (1,819)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: February 28, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Mar-13	\$ 34,780,370	\$ 16,756,759	\$ 552,974	\$ 1,617,202	\$ (2,248,946)	\$ 51,458,358	\$ 53,707,305
Apr-13	29,562,206	13,668,175	879,024	1,491,867	1,407,851	47,009,123	45,601,272
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	36,002,623	34,616,567
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	56,997,342	54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	76,890,154	73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	77,663,924	73,509,654
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 49,130,879
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 117,393,009
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month.							41.85%

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-13	\$ 36,685,851	\$ 25,319,031	\$ 777,461	\$ 381,527	\$ (2,454,545)	\$ 60,709,325	\$ 63,163,870	\$ 37,067,378
Apr-13	39,265,346	28,492,982	1,736,749	319,067	1,807,457	71,621,601	69,814,144	39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	66,022,605	63,437,611	36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	69,219,658	65,989,301	39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	68,794,786	65,385,276	40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	79,702,117	75,421,173	44,360,573
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 68,262,131	\$ 39,557,020
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 117,393,009	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.15%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Reconciliation of Reported Revenues

For the Month Ended: February 28, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 148,579,103	\$ 148,579,103
(2) Fuel Adjustment Clause	\$ (3,187,460)	\$ (3,187,460)
(3) DSM	\$ 3,539,183	\$ 3,539,183
(4) Environmental Surcharge		\$ 8,435,215
(5) CSR Credits		\$ (1,990,693)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 148,930,827	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,012	\$ 1,012
(8) Virginia Retail	\$ 9,685,319	\$ 9,685,319
(9) Wholesale	\$ 11,277,894	\$ 11,277,894
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,695,804	\$ 1,695,804
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 22,660,029	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 171,590,856	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.79%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (21,384,666)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,270,008
(18) Total Company Revenues per Income Statement =		\$ 158,920,720



a PPL company

PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of March 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the May 2014 billing cycle which begins May 1, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2014**

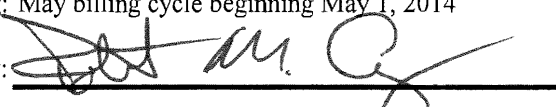
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,095,539
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		2.19%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	1,516,620
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		3.80%

Effective Date for Billing: May billing cycle beginning May 1, 2014

Submitted by: 

Title: Director, Rates

Date Submitted: April 21, 2014

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of March 2014

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

		Environmental Compliance Plans
(1)	RB	= \$ 807,289,854
(2)	RB / 12	= \$ 67,274,155
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	= 10.10%
(4)	OE	= \$ 1,615,222
(5)	BAS	= \$ 546
(6)	BR	= \$ 12,133
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$ 8,421,499

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	= 87.86%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$ 7,399,129
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$ -
(11)	Prior Period Adjustment (if necessary)	= \$ -
(12)	Revenue Collected through Base Rates	= \$ 4,786,970
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$ 2,612,159

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	= 41.94%	58.06%
(15)	Group E(m) [(13) x (14)]	= \$ 1,095,539	\$ 1,516,620
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 49,932,132	\$ 39,893,649
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	= 2.19%	3.80%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 137,113,531	
Eligible Pollution CWIP Excluding AFUDC	699,673,974	
Subtotal		\$ 836,787,505
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 256,975	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	256,975	
Cash Working Capital Allowance	1,669,715	
Subtotal		1,926,690
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 4,103,315	
Pollution Control Deferred Income Taxes	27,321,026	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		31,424,341
Environmental Compliance Rate Base		\$ 807,289,854

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,247,228
Monthly Depreciation & Amortization Expense		257,881
Monthly Taxes Other Than Income Taxes		97,090
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	13,023	
Add KU Current Month TC2 Emission Allowance Expense not reflected on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		13,023
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,615,222

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 13,971
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,838)
Net Beneficial Reuse Operations Expense	\$ 12,133

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 546	\$ -	\$ 546
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 546	\$ -	\$ 546

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2014

(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	Unamortized ITC as of 3/31/2014	Deferred Tax Balance as of 3/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 2,805,414.75	\$ 3,013,047	\$ 92,001,057	\$ -	\$ 19,112,139	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 422,831.39	\$ 2,885,000	\$ 19,084,755	\$ -	\$ 3,592,709	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 52,006.46	\$ 295,066,678	\$ 297,350,472	\$ -	\$ 434,869	\$ 4,837	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,102,469	\$ 466,230.13	\$ (70,798)	\$ 8,565,441	\$ -	\$ 498,167	\$ 15,881	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 9,848,245	\$ 9,848,245	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 119,966.48	\$ (85,597)	\$ 4,073,856	\$ -	\$ 817,974	\$ 7,489	\$ 512
Subtotal	\$ 124,133,700	\$ 3,866,449	\$ 310,656,575	\$ 430,923,826	\$ -	\$ 24,455,858	\$ 240,492	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Total - 2009 Plan:	\$ 124,133,700	\$ 3,866,449	\$ 310,656,575	\$ 430,923,826	\$ -	\$ 24,455,858	\$ 240,492	\$ 53,246
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 29,959,745	\$ 30,806,412	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 22,807,996	\$ 22,807,996	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 285,515.44	\$ 336,249,658	\$ 348,148,396	\$ -	\$ 2,866,116	\$ 17,500	\$ 37,960
Subtotal	\$ 13,030,921	\$ 285,515	\$ 389,017,399	\$ 401,762,804	\$ -	\$ 2,866,116	\$ 17,500	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 236,866	\$ 389,017,399	\$ 401,760,364	\$ -	\$ 2,865,167	\$ 17,389	\$ 43,844
Net Total - All Plans:	\$ 137,113,531	\$ 4,103,315	\$ 699,673,974	\$ 832,684,190	\$ -	\$ 27,321,026	\$ 257,881	\$ 97,090

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: March 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	228,477	12,001	7,129	\$ 210,912.02	\$ 46,636.71	\$ 80.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of March 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	235,041	0	6,564	0	0	228,477	
Dollars	\$ 216,971.39	\$ -	\$ 6,059.37	\$ -	\$ -	\$ 210,912.02	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	235,041	-	6,564	-	-	228,477	Includes EPA actual usage true-up of 782 allowances.
Dollars	\$ 216,971.39	\$ -	\$ 6,059.37	\$ -	\$ -	\$ 210,912.02	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of March 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,129	0	0	0	0	7,129	
Dollars	\$ 80.36	\$ -	\$ -	\$ -	\$ -	\$ 80.36	
\$/Allowance	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,034	-	-	0	0	7,034	
Dollars	\$ 79.29	\$ -	\$ -	\$ -	\$ -	\$ 79.29	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	95	-	-	-	-	95	
Dollars	\$ 1.07	\$ -	\$ -	\$ -	\$ -	\$ 1.07	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of March 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	13,821	0	1,792	28	0	12,001	
Dollars	\$ 53,709.36	\$ -	\$ 6,963.84	\$ 108.81	\$ -	\$ 46,636.71	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,625	-	1,792	-	-	11,833	Includes EPA actual usage true-up of 236 allowances.
Dollars	\$ 52,947.69	\$ -	\$ 6,963.84	\$ -	\$ -	\$ 45,983.85	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	196	-	0	28	0	168	
Dollars	\$ 761.67	\$ -	\$ -	\$ 108.81	\$ -	\$ 652.86	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,184,318
10th Previous Month	1,261,098
9th Previous Month	974,507
8th Previous Month	1,021,205
7th Previous Month	983,033
6th Previous Month	986,838
5th Previous Month	929,559
4th Previous Month	1,123,893
3rd Previous Month	1,198,839
2nd Previous Month	1,300,792
Previous Month	1,134,282
Current Month	1,259,361
Total 12 Month O&M	\$ 13,357,724

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,357,724
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,669,715

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	48,020			48,020
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	27,632			27,632
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	75,652	-	-	75,652
2011 Plan				
506159 - ECR Sorbent Injection Operation	28,403	46,983		75,386
506152 - ECR Sorbent Reactant - Reagent Only	27,935	1,034,633		1,062,568
512152 - ECR Sorbent Injection Maintenance	3,403	30,220		33,622
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	59,741	1,111,835		1,171,576
Current Month O&M Expense for All Plans	135,393	1,111,835	-	1,247,228

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

ES FORM 2.60

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: March 31, 2014**

Third Party	O&M Expense Account	Plant	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	10,656
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	3,315
Total Monthly Beneficial Reuse Expense			13,971
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,838)
Net Beneficial Reuse O&M Expense			12,133

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse Opportunities
For the Month Ended: March 31, 2014**

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (22,054)	\$ (22,054)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,838)	\$ (1,838)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 13,971	\$ 13,971
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 12,133	\$ 12,133
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)]	\$ -	\$ -	\$ 12,133	\$ 12,133
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,838)	\$ (1,838)
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)		\$ -	\$ -	\$ (1,838)	\$ (1,838)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: March 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)	
Apr-13	\$ 29,562,206	\$ 13,668,175	\$ 879,024	\$ 1,491,867	\$ 1,407,851	\$ 47,009,123	\$ 45,601,272	
May-13	22,919,850	9,764,204	874,428	1,058,086	1,386,055	\$ 36,002,623	\$ 34,616,567	
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	\$ 42,054,519	\$ 40,452,134	
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	\$ 50,281,042	\$ 48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	\$ 47,750,684	\$ 45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	\$ 48,797,822	\$ 46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	\$ 37,453,200	\$ 35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	\$ 39,020,976	\$ 37,287,898	
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991	
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273	
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654	
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 49,932,132	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 119,059,055	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month								41.94%

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)
Apr-13	\$ 39,265,346	\$ 28,492,982	\$ 1,736,749	\$ 319,067	\$ 1,807,457	\$ 71,621,601	\$ 69,814,144	\$ 39,584,413
May-13	36,724,959	24,279,661	2,158,218	274,773	2,584,995	\$ 66,022,605	\$ 63,437,611	\$ 36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	\$ 74,438,859	\$ 71,684,995	\$ 40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	\$ 77,921,380	\$ 74,867,845	\$ 41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 69,126,923	\$ 39,893,649
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 119,059,055	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.06%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 129,148,794	\$ 129,148,794
(2) Fuel Adjustment Clause	\$ 4,812,639	\$ 4,812,639
(3) DSM	\$ 2,902,288	\$ 2,902,288
(4) Environmental Surcharge		\$ 2,453,231
(5) CSR Credits		\$ (1,050,207)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 136,863,721	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 758	\$ 758
(8) Virginia Retail	\$ 7,975,918	\$ 7,975,918
(9) Wholesale	\$ 9,584,292	\$ 9,584,292
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,352,606	\$ 1,352,606
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 18,913,574	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 155,777,295	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.86%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (8,787,558)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 1,385,984
(18) Total Company Revenues per Income Statement =		\$ 149,778,745



a PPL company

MAY 23 2014

PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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

May 23, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of April 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June 2014 billing cycle which begins June 2, 2014.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in April 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

PUBLIC SERVICE
COMMISSION

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 2/1/2014
 INVOICE #: 20140118
 INVOICE PERIOD: 01/01/2014-01/31/2014
 PROJECT NAME: Kentucky LGE Environmental Compliance
 STAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	01/01/2014-01/31/2014	11	\$260	\$2,860.00		\$2,860.00	
Chuck Buechel	01/01/2014-01/31/2014	19	\$240	\$4,560.00	\$100.00	\$4,660.00	
Mike Boismenu	01/01/2014-01/31/2014	7	\$240	\$1,680.00		\$1,680.00	
SUB TOTALS		37		\$9,100.00	\$100.00	\$9,200.00	
TOTAL FEES							\$9,100.00
TOTAL PERSONAL EXPENSES							\$100.00
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$9,200.00
TOTAL MONTHLY INVOICE AMOUNT							\$9,200.00

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.
 PO Box 420395
 Summerland Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

Daryl Newby
2/6/14

RECEIVED
 FEB 06 2014
 FINANCIAL ANA

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2014**

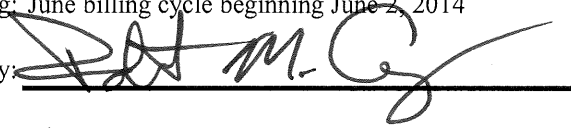
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,488,737
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		2.99%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,066,880
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		5.19%

Effective Date for Billing: June billing cycle beginning June 2, 2014

Submitted by: 

Title: Director, Rates

Date Submitted: May 23, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of April 2014

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

		Environmental Compliance Plans	
(1) RB	=	\$	835,560,012
(2) RB / 12	=	\$	69,630,001
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		10.10%
(4) OE	=	\$	1,333,841
(5) BAS	=	\$	-
(6) BR	=	\$	16,148
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 8,382,619

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=		88.57%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	7,424,486
(10) Adjustment for (Over)/Under-collection pursuant to Case No.	=	\$	-
(11) Prior Period Adjustment (if necessary)	=	\$	-
(12) Revenue Collected through Base Rates	=	\$	3,868,869
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$	3,555,617

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=		41.87%		58.13%
(15) Group E(m) [(13) x (14)]	=	\$	1,488,737	\$	2,066,880
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	=	\$	49,728,623	\$	39,827,047
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		2.99%		5.19%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 136,704,904	
Eligible Pollution CWIP Excluding AFUDC	728,648,954	
Subtotal		\$ 865,353,858
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 246,235	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	246,235	
Cash Working Capital Allowance	1,644,184	
Subtotal		1,890,419
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 4,206,658	
Pollution Control Deferred Income Taxes	27,477,607	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		31,684,265
Environmental Compliance Rate Base		\$ 835,560,012

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 963,916
Monthly Depreciation & Amortization Expense		257,241
Monthly Taxes Other Than Income Taxes		97,067
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,741	
Add KU Current Month TC2 Emission Allowance Expense not reflected on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		10,741
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		4,876
Total Pollution Control Operations Expense		\$ 1,333,841

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 18,021
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,873)
Net Beneficial Reuse Operations Expense	\$ 16,148

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2014

(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	Unamortized ITC as of 4/30/2014	Deferred Tax Balance as of 4/30/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 2,985,176.87	\$ 3,197,730	\$ 92,005,978	\$ -	\$ 19,282,336	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 455,354.49	\$ 2,915,604	\$ 19,082,836	\$ -	\$ 3,623,571	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 56,843.39	\$ 296,264.128	\$ 298,543,084	\$ -	\$ 436,100	\$ 4,837	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 482,061.55	\$ -	\$ 8,549,610	\$ -	\$ 510,120	\$ 15,831	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 10,390,976	\$ 10,390,976	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 127,455.47	\$ (85,597)	\$ 4,066,367	\$ -	\$ 820,158	\$ 7,489	\$ 512
Subtotal	\$ 124,062,902	\$ 4,106,892	\$ 312,682,841	\$ 432,638,851	\$ -	\$ 24,672,285	\$ 240,443	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (337,830)	\$ (154,599)	\$ -	\$ (183,230)	\$ -	\$ (71,277)	\$ (591)	\$ (23)
Net Total - 2009 Plan:	\$ 123,725,072	\$ 3,952,293	\$ 312,682,841	\$ 432,455,621	\$ -	\$ 24,601,008	\$ 239,851	\$ 53,223
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 30,339,867	\$ 31,186,534	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 26,228,175	\$ 26,228,175	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 303,015.41	\$ 359,398,071	\$ 371,279,310	\$ -	\$ 2,877,548	\$ 17,500	\$ 37,960
Subtotal	\$ 13,030,921	\$ 303,015	\$ 415,966,113	\$ 428,694,018	\$ -	\$ 2,877,548	\$ 17,500	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 254,366	\$ 415,966,113	\$ 428,691,579	\$ -	\$ 2,876,599	\$ 17,389	\$ 43,844
Net Total - All Plans:	\$ 136,704,904	\$ 4,206,658	\$ 728,648,954	\$ 861,147,200	\$ -	\$ 27,477,607	\$ 257,241	\$ 97,067

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: April 30, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	221,481	10,874	7,129	\$ 204,453.86	\$ 42,257.11	\$ 80.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	228,477	0	6,996	0	0	221,481	
Dollars	\$ 210,912.02	\$ -	\$ 6,458.16	\$ -	\$ -	\$ 204,453.86	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	228,477	-	6,996	-	-	221,481	
Dollars	\$ 210,912.02	\$ -	\$ 6,458.16	\$ -	\$ -	\$ 204,453.86	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of April 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,129	0	0	0	0	7,129	
Dollars	\$ 80.36	\$ -	\$ -	\$ -	\$ -	\$ 80.36	
\$/Allowance	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,034	-	-	0	0	7,034	
Dollars	\$ 79.29	\$ -	\$ -	\$ -	\$ -	\$ 79.29	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	95	-	-	-	-	95	
Dollars	\$ 1.07	\$ -	\$ -	\$ -	\$ -	\$ 1.07	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of April 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,001	0	1,102	25	0	10,874	
Dollars	\$ 46,636.71	\$ -	\$ 4,282.45	\$ 97.15	\$ -	\$ 42,257.11	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	11,833	-	1,102	-	-	10,731	
Dollars	\$ 45,983.85	\$ -	\$ 4,282.45	\$ -	\$ -	\$ 41,701.40	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	168	-	0	25	0	143	
Dollars	\$ 652.86	\$ -	\$ -	\$ 97.15	\$ -	\$ 555.71	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,261,098
10th Previous Month	974,507
9th Previous Month	1,021,205
8th Previous Month	983,033
7th Previous Month	986,838
6th Previous Month	929,559
5th Previous Month	1,123,893
4th Previous Month	1,198,839
3rd Previous Month	1,300,792
2nd Previous Month	1,134,282
Previous Month	1,259,361
Current Month	980,064
Total 12 Month O&M	\$ 13,153,469

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,153,469
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,644,184

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	36,493			36,493
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	90,975			90,975
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	127,468	-	-	127,468
2011 Plan				
506159 - ECR Sorbent Injection Operation	28,822	46,906		75,728
506152 - ECR Sorbent Reactant - Reagent Only	25,166	724,889		750,055
512152 - ECR Sorbent Injection Maintenance	6,935	3,730		10,665
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-			-
506151 - ECR Activated Carbon	-			-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	60,923	775,525	-	836,448
Current Month O&M Expense for All Plans	188,391	775,525	-	963,916

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: April 30, 2014

Third Party	O&M Expense Account	Plant	Total O&M
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	18,021
Total Monthly Beneficial Reuse Expense			18,021
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,873)
Net Beneficial Reuse O&M Expense			16,148

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse Opportunities
For the Month Ended: April 30, 2014**

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (22,479)	\$ (22,479)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,873)	\$ (1,873)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 18,021	\$ 18,021
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 16,148	\$ 16,148
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)]	\$ -	\$ -	\$ 16,148	\$ 16,148
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,873)	\$ (1,873)
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)		\$ -	\$ -	\$ (1,873)	\$ (1,873)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: April 30, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)	
May-13	\$ 22,919,850	\$ 9,764,204	\$ 874,428	\$ 1,058,086	\$ 1,386,055	\$ 36,002,623	\$ 34,616,567	
Jun-13	25,800,577	11,457,732	1,939,090	1,254,736	1,602,385	42,054,519	40,452,134	
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898	
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	56,997,342	54,397,991	
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	76,890,154	73,327,273	
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	77,663,924	73,509,654	
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	64,377,123	63,322,346	
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	43,685,955	43,159,165	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 49,728,623	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 118,767,283	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.87%	

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)
May-13	\$ 36,724,959	\$ 24,279,661	\$ 2,158,218	\$ 274,773	\$ 2,584,995	\$ 66,022,605	\$ 63,437,611	\$ 36,999,731
Jun-13	39,614,384	27,182,135	4,488,505	399,970	2,753,864	74,438,859	71,684,995	40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	69,219,658	65,989,301	39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	68,794,786	65,385,276	40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	79,702,117	75,421,173	44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	74,939,829	73,541,375	41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	69,598,962	68,754,993	38,785,185
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 69,038,660	\$ 39,827,047
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 118,767,283	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.13%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,407,225	\$ 106,407,225
(2) Fuel Adjustment Clause	\$ 3,090,115	\$ 3,090,115
(3) DSM	\$ 2,416,818	\$ 2,416,818
(4) Environmental Surcharge		\$ 1,370,759
(5) CSR Credits		\$ (998,581)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 111,914,158	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 487	\$ 487
(8) Virginia Retail	\$ 6,295,966	\$ 6,295,966
(9) Wholesale	\$ 8,109,368	\$ 8,109,368
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 30,905	\$ 30,905
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,436,727	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 126,350,884	
Jurisdictional Allocation Ratio for Current Month $[(6) / (12)] =$	88.57%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (1,673,210)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,026,067
(18) Total Company Revenues per Income Statement =		\$ 127,075,920

RECEIVED

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JUN 20 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

June 20, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of May 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July 2014 billing cycle which begins July 1, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2014**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,664,821
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.33%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,323,730
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		5.79%

Effective Date for Billing: July billing cycle beginning July 1, 2014

Submitted by: _____

Title: Director, Rates

Date Submitted: June 20, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of May 2014

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

		Environmental Compliance Plans	
(1)	RB	= \$	869,643,132
(2)	RB / 12	= \$	72,470,261
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.10%
(4)	OE	= \$	1,465,852
(5)	BAS	= \$	-
(6)	BR	= \$	3,633
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	8,788,981

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.83%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	7,631,472
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	3,642,921
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	3,988,551

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.74%	58.26%	
(15)	Group E(m) [(13) x (14)]	= \$	1,664,821	\$	2,323,730
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	49,971,146	\$	40,123,455
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.33%	5.79%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
 For the Expense Month of May 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 136,704,904	
Eligible Pollution CWIP Excluding AFUDC	763,249,589	
Subtotal		\$ 899,954,493
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 234,243	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	234,243	
Cash Working Capital Allowance	1,624,433	
Subtotal		1,858,676
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 4,464,552	
Pollution Control Deferred Income Taxes	27,705,485	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		32,170,037
Environmental Compliance Rate Base		\$ 869,643,132

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,099,463
Monthly Depreciation & Amortization Expense		257,191
Monthly Taxes Other Than Income Taxes		97,067
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,991	
Add KU Current Month TC2 Emission Allowance Expense not reflected on ES Form 2.31, 2.32 and 2.33	140	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		12,131
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,465,852

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 5,159
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,526)
Net Beneficial Reuse Operations Expense	\$ 3,633

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2014

(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	Unamortized ITC as of 5/31/2014	Deferred Tax Balance as of 5/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 3,164,938.99	\$ 3,200,253	\$ 91,828,739	\$ -	\$ 19,452,533	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 487,877.59	\$ 2,911,343	\$ 19,046,052	\$ -	\$ 3,654,433	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 2,335,800	\$ 61,680.32	\$ 297,966.015	\$ 300,240,134	\$ -	\$ 437,331	\$ 4,837	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 497,843.52	\$ -	\$ 8,533,828	\$ -	\$ 522,092	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 10,381,169	\$ 10,381,169	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 134,944.46	\$ (85,597)	\$ 4,058,879	\$ -	\$ 822,341	\$ 7,489	\$ 512
Subtotal	\$ 124,062,902	\$ 4,347,285	\$ 314,373,183	\$ 434,088,800	\$ -	\$ 24,888,730	\$ 240,393	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (337,830)	\$ (154,599)	\$ -	\$ (183,230)	\$ -	\$ (71,277)	\$ (591)	\$ (23)
Net Total - 2009 Plan:	\$ 123,725,072	\$ 4,192,686	\$ 314,373,183	\$ 433,905,569	\$ -	\$ 24,817,454	\$ 239,802	\$ 53,223
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 31,318,796	\$ 32,165,462	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 30,596,697	\$ 30,596,697	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 12,184,254	\$ 320,515.38	\$ 386,960,914	\$ 398,824,652	\$ -	\$ 2,888,981	\$ 17,500	\$ 37,960
Subtotal	\$ 13,030,921	\$ 320,515	\$ 448,876,406	\$ 461,586,812	\$ -	\$ 2,888,981	\$ 17,500	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 12,979,832	\$ 271,866	\$ 448,876,406	\$ 461,584,372	\$ -	\$ 2,888,032	\$ 17,389	\$ 43,844
Net Total - All Plans:	\$ 136,704,904	\$ 4,464,552	\$ 763,249,589	\$ 895,489,941	\$ -	\$ 27,705,485	\$ 257,191	\$ 97,067

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: May 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	214,841	9,366	5,621	\$ 198,324.33	\$ 36,396.93	\$ 63.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	221,481	0	6,640	0	0	214,841	
Dollars	\$ 204,453.86	\$ -	\$ 6,129.53	\$ -	\$ -	\$ 198,324.33	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	221,481	-	6,640	-	-	214,841	
Dollars	\$ 204,453.86	\$ -	\$ 6,129.53	\$ -	\$ -	\$ 198,324.33	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of May 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,129	0	1,504	4	0	5,621	
Dollars	\$ 80.36	\$ -	\$ 16.95	\$ 0.05	\$ -	\$ 63.36	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,034	-	1,504	0	0	5,530	
Dollars	\$ 79.29	\$ -	\$ 16.95	\$ -	\$ -	\$ 62.34	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	95	-	-	4	-	91	
Dollars	\$ 1.07	\$ -	\$ -	\$ 0.05	\$ -	\$ 1.02	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,874	0	1,504	4	0	9,366	
Dollars	\$ 42,257.11	\$ -	\$ 5,844.64	\$ 15.54	\$ -	\$ 36,396.93	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,731	-	1,504	-	-	9,227	
Dollars	\$ 41,701.40	\$ -	\$ 5,844.64	\$ -	\$ -	\$ 35,856.76	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	143	-	0	4	0	139	
Dollars	\$ 555.71	\$ -	\$ -	\$ 15.54	\$ -	\$ 540.17	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 974,507
10th Previous Month	1,021,205
9th Previous Month	983,033
8th Previous Month	986,838
7th Previous Month	929,559
6th Previous Month	1,123,893
5th Previous Month	1,198,839
4th Previous Month	1,300,792
3rd Previous Month	1,134,282
2nd Previous Month	1,259,361
Previous Month	980,064
Current Month	1,103,095
Total 12 Month O&M	\$ 12,995,467

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 12,995,467
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,624,433

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	58,791			58,791
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	92,632			92,632
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	151,422	-	-	151,422
2011 Plan				
506159 - ECR Sorbent Injection Operation	35,957	46,863		82,820
506152 - ECR Sorbent Reactant - Reagent Only	47,055	793,934		840,988
512152 - ECR Sorbent Injection Maintenance	17,965	6,267		24,232
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-			-
506151 - ECR Activated Carbon	-			-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	100,977	847,064	-	948,041
Current Month O&M Expense for All Plans	252,399	847,064	-	1,099,463

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2014

On-Site CCP Disposal O&M Expense		Ghent	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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: May 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	5,159
Total Monthly Beneficial Reuse Expense			5,159
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,526)
Net Beneficial Reuse O&M Expense			3,633

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (18,314)	\$ (18,314)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,526)	\$ (1,526)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 5,159	\$ 5,159
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 3,633	\$ 3,633
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)]	\$ -	\$ -	\$ 3,633	\$ 3,633
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,526)	\$ (1,526)
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)	\$ -	\$ -	\$ (1,526)	\$ (1,526)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)	
Jun-13	\$ 25,800,577	\$ 11,457,732	\$ 1,939,090	\$ 1,254,736	\$ 1,602,385	\$ 42,054,519	\$ 40,452,134	
Jul-13	30,109,923	15,094,242	1,494,385	1,534,804	2,047,689	50,281,042	48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	47,750,684	45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898	
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	56,997,342	54,397,991	
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	76,890,154	73,327,273	
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	77,663,924	73,509,654	
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	64,377,123	63,322,346	
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	43,685,955	43,159,165	
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	38,340,681	37,526,840	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 49,971,146	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 119,722,864	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.74%	

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-13	\$ 39,614,384	\$ 27,182,135	\$ 4,488,505	\$ 399,970	\$ 2,753,864	\$ 74,438,859	\$ 71,684,995	\$ 40,014,354
Jul-13	40,965,684	30,443,271	3,020,631	438,259	3,053,535	77,921,380	74,867,845	41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	76,647,502	73,582,031	42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	69,219,658	65,989,301	39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	68,794,786	65,385,276	40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	79,702,117	75,421,173	44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	74,939,829	73,541,375	41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	69,598,962	68,754,993	38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	73,473,808	71,994,309	40,556,633
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 69,751,718	\$ 40,123,455
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 119,722,864	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.26%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 102,705,956	\$ 102,705,956
(2) Fuel Adjustment Clause	\$ 4,637,485	\$ 4,637,485
(3) DSM	\$ 2,177,708	\$ 2,177,708
(4) Environmental Surcharge		\$ 2,293,340
(5) CSR Credits		\$ (1,071,705)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 109,521,148	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 354	\$ 354
(8) Virginia Retail	\$ 5,345,568	\$ 5,345,568
(9) Wholesale	\$ 9,993,557	\$ 9,993,557
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,278,902	\$ 1,278,902
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,618,381	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 126,139,530	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.83%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 7,501,343
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (800,060)
(18) Total Company Revenues per Income Statement =		\$ 134,062,448



a PPL company

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

Kentucky Utilities 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

July 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of June 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00242, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the August 2014 billing cycle which begins July 31, 2014.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in June 2014.

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

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Conroy".

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2585037

INVOICE DATE: 4/28/2014
 INVOICE #: 20140428
 INVOICE PERIOD: 04/01/2014-04/28/2014
 PROJECT NAME: Kentucky LGE Environmental Compliance
 STAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	04/01/2014-04/28/2014	29	\$260	\$7,540.00	\$1,438.60	\$8,978.60	
Chuck Buechel	04/01/2014-04/28/2014	28	\$240	\$6,720.00	\$160.00	\$6,880.00	
Mike Boismenu	04/01/2014-04/28/2014	16	\$240	\$3,840.00		\$3,840.00	
SUB TOTALS		73		\$18,100.00	\$1,598.60	\$19,698.60	
TOTAL FEES							\$18,100.00
TOTAL PERSONAL EXPENSES							\$1,598.60
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$19,698.60
TOTAL MONTHLY INVOICE AMOUNT							\$19,698.60

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.
 PO Box 420395
 Summerland Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

Daryl Newby
 4/28/14

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of June 2014

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,616,675
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.21%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,256,527
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		5.59%

Effective Date for Billing: August billing cycle beginning July 31, 2014

Submitted by:

Robert M Conroy
by DAL

Title: Director, Rates

Date Submitted: July 21, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of June 2014

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

		Environmental Compliance Plans	
(1)	RB	= \$	882,323,119
(2)	RB / 12	= \$	73,526,927
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.10%
(4)	OE	= \$	1,546,700
(5)	BAS	= \$	-
(6)	BR	= \$	16,871
(7)	E(m)	= \$	8,989,790
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.37%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	7,944,277
(10)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	4,071,075
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	3,873,202

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.74%		58.26%
(15)	Group E(m) [(13) x (14)]	= \$	1,616,675	\$	2,256,527
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,397,695	\$	40,385,365
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.21%		5.59%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of June 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 343,361,164	
Eligible Pollution CWIP Excluding AFUDC	575,087,968	
Subtotal		\$ 918,449,132
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 222,338	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	222,338	
Cash Working Capital Allowance	1,629,868	
Subtotal		1,852,206
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 4,890,780	
Pollution Control Deferred Income Taxes	33,087,439	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		37,978,219
Environmental Compliance Rate Base		\$ 882,323,119

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,001,113
Monthly Depreciation & Amortization Expense		425,527
Monthly Taxes Other Than Income Taxes		97,067
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,906	
Add KU Current Month TC2 Emission Allowance Expense not reflected on ES Form 2.31, 2.32 and 2.33	647	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		12,553
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		10,440
Total Pollution Control Operations Expense		\$ 1,546,700

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 19,012
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,142)
Net Beneficial Reuse Operations Expense	\$ 16,871

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2014

(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	Unamortized ITC as of 6/30/2014	Deferred Tax Balance as of 6/30/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 3,344,701.11	\$ 3,175,100	\$ 91,623,824	\$ -	\$ 19,622,730	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 520,400.69	\$ 2,892,195	\$ 18,994,381	\$ -	\$ 3,685,295	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 55,740,733	\$ 107,810.74	\$ 244,977,337	\$ 300,610,259	\$ -	\$ 1,548,602	\$ 46,130	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 513,625.49	\$ -	\$ 8,518,046	\$ -	\$ 534,064	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 10,535,370	\$ 10,535,370	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 142,433.45	\$ (85,597)	\$ 4,051,390	\$ -	\$ 824,524	\$ 7,489	\$ 512
Subtotal	\$ 177,467,835	\$ 4,628,971	\$ 261,494,405	\$ 434,333,269	\$ -	\$ 26,215,215	\$ 281,687	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (337,830)	\$ (154,599)	\$ -	\$ (183,230)	\$ -	\$ (71,277)	\$ (591)	\$ (23)
Net Total - 2009 Plan:	\$ 177,130,005	\$ 4,474,372	\$ 261,494,405	\$ 434,150,038	\$ -	\$ 26,143,939	\$ 281,095	\$ 53,223
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 34,063,699	\$ 34,910,366	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 33,375,255	\$ 33,375,255	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 465,057.54	\$ 246,154,608	\$ 411,125,132	\$ -	\$ 6,944,449	\$ 144,542	\$ 37,960
Subtotal	\$ 166,282,248	\$ 465,058	\$ 313,593,562	\$ 479,410,753	\$ -	\$ 6,944,449	\$ 144,542	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 166,231,159	\$ 416,408	\$ 313,593,562	\$ 479,408,313	\$ -	\$ 6,943,500	\$ 144,431	\$ 43,844
Net Total - All Plans:	\$ 343,361,164	\$ 4,890,780	\$ 575,087,968	\$ 913,558,351	\$ -	\$ 33,087,439	\$ 425,527	\$ 97,067

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances

For the Month Ended: June 30, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	208,509	7,804	4,059	\$ 192,479.12	\$ 30,326.88	\$ 45.76	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	214,841	0	6,332	0	0	208,509	
Dollars	\$ 198,324.33	\$ -	\$ 5,845.21	\$ -	\$ -	\$ 192,479.12	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	214,841	-	6,332	-	-	208,509	
Dollars	\$ 198,324.33	\$ -	\$ 5,845.21	\$ -	\$ -	\$ 192,479.12	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of June 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,621	0	1,555	7	0	4,059	
Dollars	\$ 63.36	\$ -	\$ 17.52	\$ 0.08	\$ -	\$ 45.76	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	5,530	-	1,555	0	0	3,975	
Dollars	\$ 62.34	\$ -	\$ 17.52	\$ -	\$ -	\$ 44.82	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	91	-	-	7	-	84	
Dollars	\$ 1.02	\$ -	\$ -	\$ 0.08	\$ -	\$ 0.94	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	9,366	0	1,555	7	0	7,804	
Dollars	\$ 36,396.93	\$ -	\$ 6,042.85	\$ 27.20	\$ -	\$ 30,326.88	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	9,227	-	1,555	-	-	7,672	
Dollars	\$ 35,856.76	\$ -	\$ 6,042.85	\$ -	\$ -	\$ 29,813.91	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	139	-	0	7	0	132	
Dollars	\$ 540.17	\$ -	\$ -	\$ 27.20	\$ -	\$ 512.97	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,021,205
10th Previous Month	983,033
9th Previous Month	986,838
8th Previous Month	929,559
7th Previous Month	1,123,893
6th Previous Month	1,198,839
5th Previous Month	1,300,792
4th Previous Month	1,134,282
3rd Previous Month	1,259,361
2nd Previous Month	980,064
Previous Month	1,103,095
Current Month	1,017,983
Total 12 Month O&M	\$ 13,038,944

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,038,944
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,629,868

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: June 30, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	58,379			58,379
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	102,462			102,462
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	160,840	-	-	160,840
2011 Plan				
506159 - ECR Sorbent Injection Operation	27,720	45,793		73,513
506152 - ECR Sorbent Reactant - Reagent Only	41,480	707,346		748,826
512152 - ECR Sorbent Injection Maintenance	4,471	13,462		17,933
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	73,671	766,601		840,273
Current Month O&M Expense for All Plans	234,511	766,601	-	1,001,113

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: June 30, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: June 30, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	9,290
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,572
Synthetic Materials	502011 - ECR Other Waste Disposal	Trimble County	1,149
C and B Energy	501253 - ECR Fly Ash Disposal	Trimble County	1,001
Total Monthly Beneficial Reuse Expense			19,012
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,142)
Net Beneficial Reuse O&M Expense			16,871

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Beneficial Reuse Opportunities
For the Month Ended: June 30, 2014**

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (25,699)	\$ (25,699)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,142)	\$ (2,142)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 19,012	\$ 19,012
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 16,871	\$ 16,871
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)]	\$ -	\$ -	\$ 16,871	\$ 16,871
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,142)	\$ (2,142)
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)		\$ -	\$ -	\$ (2,142)	\$ (2,142)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: June 30, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)	
Jul-13	\$ 30,109,923	\$ 15,094,242	\$ 1,494,385	\$ 1,534,804	\$ 2,047,689	\$ 50,281,042	\$ 48,233,353	
Aug-13	29,680,598	14,852,865	(201,423)	1,506,761	1,911,882	\$ 47,750,684	\$ 45,838,801	
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	\$ 48,797,822	\$ 46,747,028	
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	\$ 37,453,200	\$ 35,851,267	
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	\$ 39,020,976	\$ 37,287,898	
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991	
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273	
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654	
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346	
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165	
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840	
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,397,695	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 120,731,137	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month								41.74%

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)
Jul-13	\$ 40,965,684	\$ 30,443,271	\$ 3,020,631	\$ 438,259	\$ 3,053,535	\$ 77,921,380	\$ 74,867,845	\$ 41,403,943
Aug-13	41,663,549	31,836,603	(356,112)	437,992	3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 70,333,442	\$ 40,385,365
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 120,731,137	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.26%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 114,279,195	\$ 114,279,195
(2) Fuel Adjustment Clause	\$ 7,326,075	\$ 7,326,075
(3) DSM	\$ 2,631,136	\$ 2,631,136
(4) Environmental Surcharge		\$ 3,535,957
(5) CSR Credits		\$ (1,091,476)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 124,236,406	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 349	\$ 349
(8) Virginia Retail	\$ 5,413,885	\$ 5,413,885
(9) Wholesale	\$ 9,781,654	\$ 9,781,654
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,159,330	\$ 1,159,330
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,355,218	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 140,591,623	
Jurisdictional Allocation Ratio for Current Month [(6)/(12)] =	88.37%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 3,418,235
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (2,961,667)
(18) Total Company Revenues per Income Statement =		\$ 143,492,672

RECEIVED

Conroy
AUG 19 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

August 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of July 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the September 2014 billing cycle which begins August 29, 2014.

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

Sincerely,

A handwritten signature in cursive script that reads "Robert M. Conroy".

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of July 2014

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,542,178
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.05%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,157,864
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		5.30%

Effective Date for Billing: September billing cycle beginning August 29, 2014

Submitted by:

Robert M Conroy
by DAC

Title: Director, Rates

Date Submitted: August 19, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of July 2014

Calculation of Total E(m)

$E(m) = [(RB / 12) (ROR + (ROR - DR) / (1 - TR))] + OE - BAS + BR$, 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	= \$	899,691,626
(2)	RB / 12	= \$	74,974,302
(3)	$(ROR + (ROR - DR) / (1 - TR))$	=	10.22%
(4)	OE	= \$	1,887,640
(5)	BAS	= \$	-
(6)	BR	= \$	20,272
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	9,570,285

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	89.22%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	8,538,608
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	= \$	(347,028)
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	4,491,538
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	3,700,042

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.68%		58.32%
(15)	Group E(m) [(13) x (14)]	= \$	1,542,178	\$	2,157,864
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,634,833	\$	40,744,976
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.05%		5.30%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of July 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 343,361,164	
Eligible Pollution CWIP Excluding AFUDC	598,421,805	
Subtotal		\$ 941,782,969
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 210,642	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	210,642	
Cash Working Capital Allowance	1,652,753	
Subtotal		1,863,395
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 5,485,345	
Pollution Control Deferred Income Taxes	38,469,393	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		43,954,738
Environmental Compliance Rate Base		\$ 899,691,626

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,184,017
Monthly Depreciation & Amortization Expense		593,863
Monthly Taxes Other Than Income Taxes		97,067
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,696	
Add KU Current Month TC2 Emission Allowance Expense not reflected on ES Form 2.31, 2.32 and 2.33	997	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		12,693
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 1,887,640

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 22,535
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,263)
Net Beneficial Reuse Operations Expense	\$ 20,272

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2014

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 7/31/2014	(7) Deferred Tax Balance as of 7/31/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 91,793,424	\$ 3,524,463.23	\$ 3,176,509	\$ 91,445,471	\$ -	\$ 19,792,927	\$ 179,762	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 552,923.79	\$ 2,653,894	\$ 18,723,557	\$ -	\$ 3,716,158	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 55,740,733	\$ 195,234.65	\$ 250,091,251	\$ 305,636,749	\$ -	\$ 2,659,873	\$ 87,424	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 529,407.46	\$ -	\$ 8,502,264	\$ -	\$ 546,036	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 10,762,373	\$ 10,762,373	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 149,922.44	\$ (85,597)	\$ 4,043,901	\$ -	\$ 826,707	\$ 7,489	\$ 512
Subtotal	\$ 177,467,835	\$ 4,951,952	\$ 266,598,431	\$ 439,114,314	\$ -	\$ 27,541,701	\$ 322,980	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (337,830)	\$ (154,599)	\$ -	\$ (183,230)	\$ -	\$ (71,277)	\$ (591)	\$ (23)
Net Total - 2009 Plan:	\$ 177,130,005	\$ 4,797,352	\$ 266,598,431	\$ 438,931,084	\$ -	\$ 27,470,424	\$ 322,389	\$ 53,223
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 34,493,238	\$ 35,339,904	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 36,322,818	\$ 36,322,818	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 736,641.90	\$ 261,007,318	\$ 425,706,257	\$ -	\$ 10,999,918	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 736,642	\$ 331,823,374	\$ 497,368,980	\$ -	\$ 10,999,918	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (51,089)	\$ (48,649)	\$ -	\$ (2,440)	\$ -	\$ (949)	\$ (111)	\$ (1)
Net Total - 2011 Plan:	\$ 166,231,159	\$ 687,992	\$ 331,823,374	\$ 497,366,540	\$ -	\$ 10,998,969	\$ 271,474	\$ 43,844
Net Total - All Plans:	\$ 343,361,164	\$ 5,485,345	\$ 598,421,805	\$ 936,297,624	\$ -	\$ 38,469,393	\$ 593,863	\$ 97,067

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: July 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	201,817	6,375	2,630	\$ 186,301.59	\$ 24,773.70	\$ 29.64	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	208,509	0	6,692	0	0	201,817	
Dollars	\$ 192,479.12	\$ -	\$ 6,177.53	\$ -	\$ -	\$ 186,301.59	
\$/Allowance	\$ 0.92	\$ -	\$ 0.92	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	208,509	-	6,692	-	-	201,817	
Dollars	\$ 192,479.12	\$ -	\$ 6,177.53	\$ -	\$ -	\$ 186,301.59	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of July 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	4,059	0	1,416	13	0	2,630	
Dollars	\$ 45.76	\$ -	\$ 15.97	\$ 0.15	\$ -	\$ 29.64	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,975	-	1,416	0	0	2,559	
Dollars	\$ 44.82	\$ -	\$ 15.97	\$ -	\$ -	\$ 28.85	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	84	-	-	13	-	71	
Dollars	\$ 0.94	\$ -	\$ -	\$ 0.15	\$ -	\$ 0.79	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of July 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	7,804	0	1,416	13	0	6,375	
Dollars	\$ 30,326.88	\$ -	\$ 5,502.66	\$ 50.52	\$ -	\$ 24,773.70	
\$/Allowance	\$ 3.89	\$ -	\$ 3.89	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	7,672	-	1,416	-	-	6,256	
Dollars	\$ 29,813.91	\$ -	\$ 5,502.66	\$ -	\$ -	\$ 24,311.25	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	132	-	0	13	0	119	
Dollars	\$ 512.97	\$ -	\$ -	\$ 50.52	\$ -	\$ 462.45	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 983,033
10th Previous Month	986,838
9th Previous Month	929,559
8th Previous Month	1,123,893
7th Previous Month	1,198,839
6th Previous Month	1,300,792
5th Previous Month	1,134,282
4th Previous Month	1,259,361
3rd Previous Month	980,064
2nd Previous Month	1,103,095
Previous Month	1,017,983
Current Month	1,204,288
Total 12 Month O&M	\$ 13,222,028

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,222,028
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,652,753

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: July 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	55,701			55,701
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	21,012			21,012
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	76,713	-	-	76,713
2011 Plan				
506159 - ECR Sorbent Injection Operation	34,065	55,056		89,120
506152 - ECR Sorbent Reactant - Reagent Only	44,232	841,050		885,282
512152 - ECR Sorbent Injection Maintenance	4,526	77,307		81,832
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	51,069		51,069
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	82,822	1,024,481	-	1,107,304
Current Month O&M Expense for All Plans	159,535	1,024,481	-	1,184,017

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: July 31, 2014

On-Site CCP Disposal O&M Expense	Ghent	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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: July 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	11,353
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	8,670
Synthetic Materials	502011 - ECR Other Waste Disposal	Trimble County	2,511
Total Monthly Beneficial Reuse Expense			22,535
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,263)
Net Beneficial Reuse O&M Expense			20,272

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: July 31, 2014

On-Site CCP Disposal O&M Expense		E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$ -	\$ -	\$ (27,157)	\$ (27,157)
(2)	Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,263)	\$ (2,263)
2009 Plan Project 33					
(3)	Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 22,535	\$ 22,535
Total Beneficial Reuse - Generating Station					
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 20,272	\$ 20,272
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)]	\$ -	\$ -	\$ 20,272	\$ 20,272
(8)	Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,263)	\$ (2,263)
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)		\$ -	\$ -	\$ (2,263)	\$ (2,263)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: July 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Aug-13	\$ 29,680,598	\$ 14,852,865	\$ (201,423)	\$ 1,506,761	\$ 1,911,882	\$ 47,750,684	\$ 45,838,801
Sep-13	30,291,831	15,278,188	(366,515)	1,543,523	2,050,794	48,797,822	46,747,028
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	37,453,200	35,851,267
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	39,020,976	37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	56,997,342	54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	76,890,154	73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	77,663,924	73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	64,377,123	63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	43,685,955	43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	38,340,681	37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	46,926,523	45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,634,833
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,498,534
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.68%

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)
Aug-13	\$ 41,663,549	\$ 31,836,603	\$ (356,112)	\$ 437,992	\$ 3,065,470	\$ 76,647,502	\$ 73,582,031	\$ 42,101,541
Sep-13	40,777,552	30,877,178	(733,084)	446,786	3,160,751	74,529,183	71,368,432	41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	69,311,014	66,321,440	38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	60,872,655	58,109,451	34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	69,219,658	65,989,301	39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	68,794,786	65,385,276	40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	79,702,117	75,421,173	44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	74,939,829	73,541,375	41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	69,598,962	68,754,993	38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	73,473,808	71,994,309	40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	80,845,540	78,665,677	43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 70,863,702	\$ 40,744,976
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,498,534	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.32%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 124,748,423	\$ 124,748,423
(2) Fuel Adjustment Clause	\$ 4,539,169	\$ 4,539,169
(3) DSM	\$ 3,022,369	\$ 3,022,369
(4) Environmental Surcharge		\$ 4,326,526
(5) CSR Credits		\$ (1,074,470)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 132,309,962	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 441	\$ 441
(8) Virginia Retail	\$ 5,488,116	\$ 5,488,116
(9) Wholesale	\$ 9,575,494	\$ 9,575,494
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 928,311	\$ 928,311
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,992,362	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 148,302,323	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	89.22%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (8,493,849)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (91,042)
(18) Total Company Revenues per Income Statement =		\$ 142,969,488

RECEIVED
Conroy
SEP 19 2014
PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

September 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of August 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the October 2014 billing cycle which begins September 30, 2014.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in August 2014.

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

Sincerely,

Robert M. Conroy

Enclosures

Reg. 108702
 Conroy
 Jerry Shuster

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
 FED TAX ID # 27-2685037

INVOICE DATE: 7/29/2014
 INVOICE #: 20140720
 INVOICE PERIOD: 07/01/2014-07/29/2014
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	07/01/2014-04/29/2014	29	\$260	\$7,540.00	\$1,374.10	\$8,014.10	
Chuck Buechel	07/01/2014-04/29/2014	30	\$240	\$7,200.00	\$223.20	\$7,423.20	
Mike Bolsmann	07/01/2014-04/29/2014	40	\$240	\$9,600.00	\$1,268.94	\$10,868.94	
SUB TOTALS		99		\$24,340.00	\$2,866.24	\$27,206.24	
TOTAL FEES							\$24,340.00
TOTAL PERSONAL EXPENSES							\$2,866.24
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$27,206.24
TOTAL MONTHLY INVOICE AMOUNT							\$27,206.24

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.
 20044 4th Ave., West
 Summerland Key, FL 33042
 Attn: Walter P. Drabinski
 305-744-3440

Daryl Newby
 8/6/14

[Signature]
 8/12/14

Robert M. Conroy
 Director - Rates
 LG&E and KU Energy, LLC

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of August 2014**

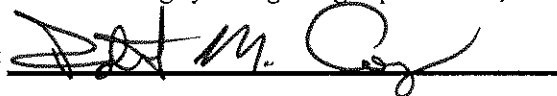
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,779,813
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.52%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,488,324
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.11%

Effective Date for Billing: October billing cycle beginning September 30, 2014

Submitted by: 

Title: Director, Rates

Date Submitted: September 19, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of August 2014

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

		Environmental Compliance Plans
(1) RB	= \$	916,873,351
(2) RB / 12	= \$	76,406,113
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	1,736,922
(5) BAS	= \$	-
(6) BR	= \$	15,831
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 9,561,458

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.11%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	8,328,986
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11) Prior Period Adjustment (if necessary)	= \$	-
(12) Revenue Collected through Base Rates	= \$	4,060,849
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,268,137

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.70%	58.30%
(15) Group E(m) [(13) x (14)]	= \$	1,779,813	\$ 2,488,324
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,494,445	\$ 40,728,499
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.52%	6.11%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of August 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 335,609,031	
Eligible Pollution CWIP Excluding AFUDC	626,049,555	
Subtotal		\$ 961,658,586
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 198,697	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	198,697	
Cash Working Capital Allowance	1,662,567	
Subtotal		1,861,264
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 4,470,243	
Pollution Control Deferred Income Taxes	42,176,256	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		46,646,499
Environmental Compliance Rate Base		\$ 916,873,351

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,045,714
Monthly Depreciation & Amortization Expense		567,291
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	11,944	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,595	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		13,539
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		14,419
Total Pollution Control Operations Expense		\$ 1,736,922

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 18,041
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,210)
Net Beneficial Reuse Operations Expense	\$ 15,831

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2014

(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	Unamortized ITC as of 8/31/2014	Deferred Tax Balance as of 8/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 3,706,804.96	\$ 542,017	\$ 91,263,129	\$ -	\$ 20,061,982	\$ 182,342	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 585,446.89	\$ 2,635,021	\$ 18,692,161	\$ -	\$ 3,747,020	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 55,740,733	\$ 282,658.56	\$ 253,016,410	\$ 308,474,484	\$ -	\$ 3,771,144	\$ 87,424	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 545,189.43	\$ -	\$ 8,486,482	\$ -	\$ 558,008	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,005,721	\$ 11,005,721	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 157,411.43	\$ (85,597)	\$ 4,036,412	\$ -	\$ 828,890	\$ 7,489	\$ 512
Subtotal	\$ 180,102,328	\$ 5,277,511	\$ 267,133,571	\$ 441,958,387	\$ -	\$ 28,967,044	\$ 325,560	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 179,385,151	\$ 4,823,563	\$ 267,133,571	\$ 441,695,159	\$ -	\$ 28,864,648	\$ 324,338	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 39,368,994	\$ 40,215,661	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 39,756,918	\$ 39,756,918	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,008,226.26	\$ 279,790,072	\$ 444,217,427	\$ -	\$ 15,055,386	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,008,226	\$ 358,915,984	\$ 524,190,005	\$ -	\$ 15,055,386	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ (353,320)	\$ 358,915,984	\$ 515,493,183	\$ -	\$ 13,311,608	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 335,609,031	\$ 4,470,243	\$ 626,049,555	\$ 957,188,343	\$ -	\$ 42,176,256	\$ 567,291	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances

For the Month Ended: August 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NO _x Annual	NO _x Ozone Season	SO ₂	NO _x Annual	NO _x Ozone Season	
Current Year	194,569	5,018	1,273	\$ 179,610.81	\$ 19,500.31	\$ 14.34	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of August 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	201,817	216	7,464	0	0	194,569	
Dollars	\$ 186,301.59	\$ 0.69	\$ 6,691.47	\$ -	\$ -	\$ 179,610.81	
\$/Allowance	\$ 0.92	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	201,817	-	7,248	-	-	194,569	
Dollars	\$ 186,301.59	\$ -	\$ 6,690.78	\$ -	\$ -	\$ 179,610.81	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	216	216				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.69	\$ 0.69				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of August 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	2,630	63	1,411	9	0	1,273	
Dollars	\$ 29.64	\$ 0.10	\$ 15.30	\$ 0.10	\$ -	\$ 14.34	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	\$ -	\$ 0.01	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,559	-	1,348	0	0	1,211	
Dollars	\$ 28.85	\$ -	\$ 15.20	\$ -	\$ -	\$ 13.65	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	71	-	-	9	-	62	
Dollars	\$ 0.79	\$ -	\$ -	\$ 0.10	\$ -	\$ 0.69	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	63	63	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of August 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,375	63	1,411	9	0	5,018	
Dollars	\$ 24,773.70	\$ 1,593.94	\$ 6,832.36	\$ 34.97	\$ -	\$ 19,500.31	
\$/Allowance	\$ 3.89	\$ 25.30	\$ 4.84	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,256	-	1,348	-	-	4,908	
Dollars	\$ 24,311.25	\$ -	\$ 5,238.42	\$ -	\$ -	\$ 19,072.83	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	119	-	0	9	0	110	
Dollars	\$ 462.45	\$ -	\$ -	\$ 34.97	\$ -	\$ 427.48	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	63	63	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,593.94	\$ 1,593.94	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 25.30	\$ 25.30	\$ -	\$ -	\$ -	

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

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 986,838
10th Previous Month	929,559
9th Previous Month	1,123,893
8th Previous Month	1,198,839
7th Previous Month	1,300,792
6th Previous Month	1,134,282
5th Previous Month	1,259,361
4th Previous Month	980,064
3rd Previous Month	1,103,095
2nd Previous Month	1,017,983
Previous Month	1,204,288
Current Month	1,061,545
Total 12 Month O&M	\$ 13,300,539

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,300,539
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,662,567

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: August 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	54,510			54,510
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	14,807			14,807
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		-	-	-
512107 - ECR Landfill Maintenance		-	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	69,316	-	-	69,316
2011 Plan				
506159 - ECR Sorbent Injection Operation	28,541	58,265		86,806
506152 - ECR Sorbent Reactant - Reagent Only	36,125	838,038		874,163
512152 - ECR Sorbent Injection Maintenance	1,709	13,720		15,429
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-			-
506151 - ECR Activated Carbon	-			-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	66,375	910,023		976,398
Current Month O&M Expense for All Plans	135,691	910,023	-	1,045,714

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2014

	Ghent	Trimble County
On-Site CCP Disposal O&M Expense		
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Beneficial Reuse - Operations & Maintenance Expenses
 For the Month Ended: August 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	11,288
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	6,753
Total Monthly Beneficial Reuse Expense			18,041
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,210)
Net Beneficial Reuse O&M Expense			15,831

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (26,525)	\$ (26,525)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,210)	\$ (2,210)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 18,041	\$ 18,041
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 15,831	\$ 15,831
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)]	\$ -	\$ -	\$ 15,831	\$ 15,831
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,210)	\$ (2,210)
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)	\$ -	\$ -	\$ (2,210)	\$ (2,210)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: August 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Sep-13	\$ 30,291,831	\$ 15,278,188	\$ (366,515)	\$ 1,543,523	\$ 2,050,794	\$ 48,797,822	\$ 46,747,028
Oct-13	24,004,154	11,284,781	(565,320)	1,127,652	1,601,933	\$ 37,453,200	\$ 35,851,267
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	\$ 39,020,976	\$ 37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	\$ 52,776,994	\$ 51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	\$ 45,572,521	\$ 44,154,146
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,494,445
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,085,486
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.70%

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)
Sep-13	\$ 40,777,552	\$ 30,877,178	\$ (733,084)	\$ 446,786	\$ 3,160,751	\$ 74,529,183	\$ 71,368,432	\$ 41,224,337
Oct-13	37,939,431	29,428,649	(1,426,259)	379,620	2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(5,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	\$ 83,859,493	\$ 81,230,961	\$ 45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	\$ 72,662,443	\$ 70,310,106	\$ 41,903,823
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 70,591,041	\$ 40,728,499
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,085,486	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.30%	

ES FORM 3.10

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 112,677,609	\$ 112,677,609
(2) Fuel Adjustment Clause	\$ (903,500)	\$ (903,500)
(3) DSM	\$ 2,690,144	\$ 2,690,144
(4) Environmental Surcharge		\$ 3,770,711
(5) CSR Credits		\$ (1,097,418)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 114,464,253	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 431	\$ 431
(8) Virginia Retail	\$ 5,144,348	\$ 5,144,348
(9) Wholesale	\$ 10,564,570	\$ 10,564,570
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,232,666	\$ 1,232,666
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,942,015	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 131,406,267	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.11%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 12,777,482
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 2,662,348
(18) Total Company Revenues per Income Statement =		\$ 149,519,390

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Conroy
PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

October 17, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of September 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the November 2014 billing cycle which begins October 29, 2014.

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

Sincerely,

A handwritten signature in black ink that reads "R. M. Conroy". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of September 2014

GROUP 1 (Total Revenue)

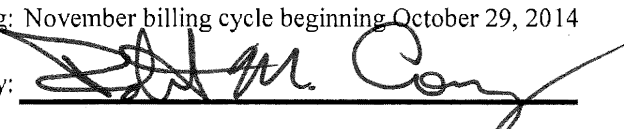
Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,966,095
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.89%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,764,644
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.73%

Effective Date for Billing: November billing cycle beginning October 29, 2014

Submitted by:


Title: Director, Rates

Date Submitted: October 17, 2014

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of September 2014

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

		Environmental Compliance Plans
(1) RB	= \$	931,577,174
(2) RB / 12	= \$	77,631,431
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	2,280,139
(5) BAS	= \$	-
(6) BR	= \$	10,875
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	10,224,946

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	89.08%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,108,382
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	4,377,643
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,730,739

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.56% 58.44%
(15)	Group E(m) [(13) x (14)]	= \$	1,966,095 \$ 2,764,644
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,583,720 \$ 41,062,283
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.89% 6.73%

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	402,069,170	
Subtotal		\$ 993,518,551
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 191,325	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	191,325	
Cash Working Capital Allowance	1,709,382	
Subtotal		1,900,707
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 5,316,270	
Pollution Control Deferred Income Taxes	58,525,814	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		63,842,084
Environmental Compliance Rate Base		\$ 931,577,174

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,350,479
Monthly Depreciation & Amortization Expense		816,174
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	14,807	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	2,720	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		17,527
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,280,139

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 12,928
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,052)
Net Beneficial Reuse Operations Expense	\$ 10,875

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2014

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 9/30/2014	(7) Deferred Tax Balance as of 9/30/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 3,891,726.30	\$ 542,017	\$ 91,078,208	\$ -	\$ 20,331,036	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 617,969.99	\$ 2,662,045	\$ 18,666,662	\$ -	\$ 3,777,882	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 616,385.68	\$ 2,526,536	\$ 313,491,233	\$ -	\$ 15,751,161	\$ 333,727	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 560,971.40	\$ -	\$ 8,470,700	\$ -	\$ 569,980	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,223,319	\$ 11,223,319	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 164,900.42	\$ (85,597)	\$ 4,028,923	\$ -	\$ 831,074	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 5,851,954	\$ 16,868,320	\$ 446,959,044	\$ -	\$ 41,261,133	\$ 574,443	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 5,398,005	\$ 16,868,320	\$ 446,695,816	\$ -	\$ 41,158,737	\$ 573,220	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 40,853,055	\$ 41,699,721	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 43,739,448	\$ 43,739,448	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,279,810.62	\$ 300,608,347	\$ 464,764,117	\$ -	\$ 19,110,855	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,279,811	\$ 385,200,850	\$ 550,203,287	\$ -	\$ 19,110,855	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ (81,735)	\$ 385,200,850	\$ 541,506,465	\$ -	\$ 17,367,077	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 5,316,270	\$ 402,069,170	\$ 988,202,281	\$ -	\$ 58,525,814	\$ 816,174	\$ 95,959

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: September 30, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	188,621	3,978	483	\$ 174,120.08	\$ 15,458.80	\$ 2,462.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of September 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	194,569	158	6,106	0	0	188,621	
Dollars	\$ 179,610.81	\$ 0.51	\$ 5,491.24	\$ -	\$ -	\$ 174,120.08	
\$/Allowance	\$ 0.92	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	194,569	-	5,948	-	-	188,621	
Dollars	\$ 179,610.81	\$ -	\$ 5,490.73	\$ -	\$ -	\$ 174,120.08	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	158	158				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.51	\$ 0.51				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of September 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,273	302	1,089	3	0	483	
Dollars	\$ 14.34	\$ 9,166.62	\$ 6,703.31	\$ 15.29	\$ -	\$ 2,462.36	
\$/Allowance	\$ 0.01	\$ 30.35	\$ 6.16	\$ 5.10	\$ -	\$ 5.10	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,211	-	1,037	0	0	424	Ending inventory includes purchases from the market
Dollars	\$ 13.65	\$ (315.39)	\$ 5,286.69	\$ -	\$ -	\$ 2,161.57	as shown below. Adjusted Ending Inventory Dollars
							to reflect non-recoverable allowance value
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	62	-	-	3	-	59	Adjusted Ending Inventory Dollars to reflect
Dollars	\$ 0.69	\$ 315.39	\$ -	\$ 15.29	\$ -	\$ 300.79	non-recoverable allowance value.
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	250	0	0	0		Purchased 250 allowances from the market included in
Dollars	\$ -	\$ 7,750.00	\$ -	\$ -	\$ -		Ending Inventory - Coal Fuel shown above
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		
From LG&E:							
Quantity	0	52	52	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,416.62	\$ 1,416.62	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of September 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	5,018	52	1,089	3	0	3,978	
Dollars	\$ 19,500.31	\$ 1,302.74	\$ 5,332.59	\$ 11.66	\$ -	\$ 15,458.80	
\$/Allowance	\$ 3.89	\$ 25.05	\$ 4.90	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	4,908	-	1,037	-	-	3,871	
Dollars	\$ 19,072.83	\$ -	\$ 4,029.85	\$ -	\$ -	\$ 15,042.98	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	110	-	0	3	0	107	
Dollars	\$ 427.48	\$ -	\$ -	\$ 11.66	\$ -	\$ 415.82	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	52	52	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,302.74	\$ 1,302.74	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 25.05	\$ 25.05	\$ -	\$ -	\$ -	

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

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 929,559
10th Previous Month	1,123,893
9th Previous Month	1,198,839
8th Previous Month	1,300,792
7th Previous Month	1,134,282
6th Previous Month	1,259,361
5th Previous Month	980,064
4th Previous Month	1,103,095
3rd Previous Month	1,017,983
2nd Previous Month	1,204,288
Previous Month	1,061,545
Current Month	1,361,355
Total 12 Month O&M	\$ 13,675,056

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,675,056
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,709,382

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: September 30, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	41,947			41,947
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	102,637			102,637
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		281,173	-	281,173
512107 - ECR Landfill Maintenance		17,082	-	17,082
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	144,585	298,254	-	442,839
2011 Plan				
506159 - ECR Sorbent Injection Operation	27,177	53,455		80,632
506152 - ECR Sorbent Reactant - Reagent Only	34,883	763,904		798,787
512152 - ECR Sorbent Injection Maintenance	1,122	27,099		28,221
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	63,182	844,459	-	907,640
Current Month O&M Expense for All Plans	207,766	1,142,713	-	1,350,479

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2014

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,718,933.43	\$ -
(2) Monthly Amount [(1) / 12]	\$ 309,911.12	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 298,254.39	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 608,165.51	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 418,035.79	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 119,781.40	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: September 30, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	3,492
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	9,435
Total Monthly Beneficial Reuse Expense			12,928
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,052)
Net Beneficial Reuse O&M Expense			10,875

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (24,630)	\$ (24,630)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,052)	\$ (2,052)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 12,928	\$ 12,928
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 10,875	\$ 10,875
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)]	\$ -	\$ -	\$ 10,875	\$ 10,875
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,052)	\$ (2,052)
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)	\$ -	\$ -	\$ (2,052)	\$ (2,052)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: September 30, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Oct-13	\$ 24,004,154	\$ 11,284,781	\$ (565,320)	\$ 1,127,652	\$ 1,601,933	\$ 37,453,200	\$ 35,851,267
Nov-13	24,917,717	11,923,279	(749,669)	1,196,572	1,733,077	\$ 39,020,976	\$ 37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	\$ 52,776,994	\$ 51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	\$ 45,572,521	\$ 44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	\$ 49,278,230	\$ 47,818,334
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,583,720
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,722,523
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.56%

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)
Oct-13	\$ 37,939,431	\$ 29,428,649	\$ (1,426,259)	\$ 379,620	\$ 2,989,573	\$ 69,311,014	\$ 66,321,440	\$ 38,319,051
Nov-13	33,787,730	25,554,448	(1,574,733)	342,006	2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	\$ 83,859,493	\$ 81,230,961	\$ 45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	\$ 72,662,443	\$ 70,310,106	\$ 41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	\$ 80,357,295	\$ 77,941,568	\$ 45,229,740
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,138,803	\$ 41,062,283
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,722,523	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.44%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 122,872,639	\$ 122,872,639
(2) Fuel Adjustment Clause	\$ (25,280)	\$ (25,280)
(3) DSM	\$ 2,912,544	\$ 2,912,544
(4) Environmental Surcharge		\$ 3,875,623
(5) CSR Credits		\$ (1,058,826)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 125,759,902	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 447	\$ 447
(8) Virginia Retail	\$ 5,427,979	\$ 5,427,979
(9) Wholesale	\$ 8,702,465	\$ 8,702,465
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,288,031	\$ 1,288,031
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,418,922	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 141,178,825	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	89.08%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (16,645,199)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 1,649,231
(18) Total Company Revenues per Income Statement =		\$ 128,999,653

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Conroy

NOV 21 2014

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
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Robert M. Conroy
Director - Rates
T 502-627-3324
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robert.conroy@lge-ku.com

November 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of October 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the December 2014 billing cycle which begins December 1, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of October 2014**

GROUP 1 (Total Revenue)

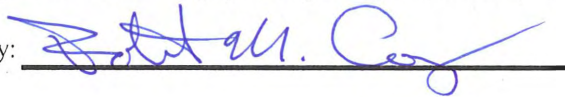
Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,224,002
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		4.39%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	3,149,282
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		7.62%

Effective Date for Billing: December billing cycle beginning December 1, 2014

Submitted by:



Title: Director, Rates

Date Submitted: November 21, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of October 2014

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

		Environmental Compliance Plans
(1)	RB	= \$ 947,046,648
(2)	RB / 12	= \$ 78,920,554
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	= 10.22%
(4)	OE	= \$ 2,323,027
(5)	BAS	= \$ -
(6)	BR	= \$ 9,993
(7)	E(m) (2) x (3) + (4) - (5) + (6)	= \$ 10,398,701

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	= 88.09%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$ 9,160,216
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=
(11)	Prior Period Adjustment (if necessary)	= \$ -
(12)	Revenue Collected through Base Rates	= \$ 3,786,932
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$ 5,373,284

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	= 41.39%	58.61%
(15)	Group E(m) [(13) x (14)]	= \$ 2,224,002	\$ 3,149,282
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 50,603,970	\$ 41,341,155
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	= 4.39%	7.62%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	434,960,536	
Subtotal		\$ 1,026,409,917
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 182,010	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	182,010	
Cash Working Capital Allowance	1,738,693	
Subtotal		1,920,703
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 6,408,600	
Pollution Control Deferred Income Taxes	74,875,372	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		81,283,972
Environmental Compliance Rate Base		\$ 947,046,648

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,154,050
Monthly Depreciation & Amortization Expense		1,062,477
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,314	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,227	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		10,541
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,323,027

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 11,847
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,854)
Net Beneficial Reuse Operations Expense	\$ 9,993

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2014

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 10/31/2014	(7) Deferred Tax Balance as of 10/31/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,076,647.64	\$ 542,017	\$ 90,893,286	\$ -	\$ 20,600,091	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 650,493.09	\$ 2,684,693	\$ 18,656,787	\$ -	\$ 3,808,744	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 1,196,415.99	\$ 3,669,426	\$ 314,054,093	\$ -	\$ 27,731,178	\$ 580,030	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 576,753.37	\$ -	\$ 8,454,918	\$ -	\$ 581,952	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,364,309	\$ 11,364,309	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 172,389.41	\$ (85,597)	\$ 4,021,434	\$ -	\$ 833,257	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 6,672,700	\$ 18,174,848	\$ 447,444,826	\$ -	\$ 53,555,222	\$ 820,746	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 6,218,751	\$ 18,174,848	\$ 447,181,599	\$ -	\$ 53,452,826	\$ 819,524	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 43,520,565	\$ 44,367,232	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 48,371,139	\$ 48,371,139	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,551,394.98	\$ 324,893,983	\$ 488,778,169	\$ -	\$ 23,166,324	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,551,395	\$ 416,785,688	\$ 581,516,540	\$ -	\$ 23,166,324	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ 189,849	\$ 416,785,688	\$ 572,819,719	\$ -	\$ 21,422,546	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 6,408,600	\$ 434,960,536	\$ 1,020,001,317	\$ -	\$ 74,875,372	\$ 1,062,477	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Inventory of Emission Allowances

For the Month Ended: October 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	182,585	3,013	483	\$ 168,548.11	\$ 11,708.74	\$ 2,462.36	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of October 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	188,621	182	6,218	0	0	182,585	
Dollars	\$ 174,120.08	\$ 0.59	\$ 5,572.56	\$ -	\$ -	\$ 168,548.11	
\$/Allowance	\$ 0.92	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	188,621	-	6,036	-	-	182,585	
Dollars	\$ 174,120.08	\$ -	\$ 5,571.97	\$ -	\$ -	\$ 168,548.11	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	182	182				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.59	\$ 0.59				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of October 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	483	0	0	0	0	483	
Dollars	\$ 2,462.36	\$ -	\$ -	\$ -	\$ -	\$ 2,462.36	
\$/Allowance	\$ 5.10	\$ -	\$ -	\$ -	\$ -	\$ 5.10	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	424	-	-	0	0	424	
Dollars	\$ 2,161.57	\$ -	\$ -	\$ -	\$ -	\$ 2,161.57	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	59	-	-	-	-	59	
Dollars	\$ 300.79	\$ -	\$ -	\$ -	\$ -	\$ 300.79	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of October 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,978	49	1,012	2	0	3,013	
Dollars	\$ 15,458.80	\$ 1,226.11	\$ 4,968.40	\$ 7.77	\$ -	\$ 11,708.74	
\$/Allowance	\$ 3.89	\$ 25.02	\$ 4.91	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	3,871	-	963	-	-	2,908	
Dollars	\$ 15,042.98	\$ -	\$ 3,742.29	\$ -	\$ -	\$ 11,300.69	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	107	-	0	2	0	105	
Dollars	\$ 415.82	\$ -	\$ -	\$ 7.77	\$ -	\$ 408.05	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	49	49	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,226.11	\$ 1,226.11	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 25.02	\$ 25.02	\$ -	\$ -	\$ -	

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

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: **October 31, 2014**

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,123,893
10th Previous Month	1,198,839
9th Previous Month	1,300,792
8th Previous Month	1,134,282
7th Previous Month	1,259,361
6th Previous Month	980,064
5th Previous Month	1,103,095
4th Previous Month	1,017,983
3rd Previous Month	1,204,288
2nd Previous Month	1,061,545
Previous Month	1,361,355
Current Month	1,164,043
Total 12 Month O&M	\$ 13,909,540

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,909,540
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,738,693

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: October 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	59,384			59,384
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	(3,634)			(3,634)
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		287,592	-	287,592
512107 - ECR Landfill Maintenance		9,370	-	9,370
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	55,750	296,962	-	352,713
2011 Plan				
506159 - ECR Sorbent Injection Operation	36,219	59,342		95,560
506152 - ECR Sorbent Reactant - Reagent Only	37,611	588,382		625,994
512152 - ECR Sorbent Injection Maintenance	738	4,975		5,712
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	74,071		74,071
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	74,568	726,770		801,338
Current Month O&M Expense for All Plans				
	130,318	1,023,732	-	1,154,050

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: **October 31, 2014**

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,748,105.10	\$ -
(2) Monthly Amount [(1) / 12]	\$ 312,342.09	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 296,962.27	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 609,304.36	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 419,174.65	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 122,212.38	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: October 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	8,242
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	3,605
Total Monthly Beneficial Reuse Expense			11,847
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,854)
Net Beneficial Reuse O&M Expense			9,993

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (22,247)	\$ (22,247)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,854)	\$ (1,854)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 11,847	\$ 11,847
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 9,993	\$ 9,993
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)]	\$ -	\$ -	\$ 9,993	\$ 9,993
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,854)	\$ (1,854)
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)	\$ -	\$ -	\$ (1,854)	\$ (1,854)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: October 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Nov-13	\$ 24,917,717	\$ 11,923,279	\$ (749,669)	\$ 1,196,572	\$ 1,733,077	\$ 39,020,976	\$ 37,287,898
Dec-13	36,078,107	18,455,124	(2,039,041)	1,903,800	2,599,351	\$ 56,997,342	\$ 54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	\$ 52,776,994	\$ 51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	\$ 45,572,521	\$ 44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	\$ 49,278,230	\$ 47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	\$ 37,361,293	\$ 36,094,262
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,603,970
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,246,667
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.39%

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)
Nov-13	\$ 33,787,730	\$ 25,554,448	\$ (1,574,733)	\$ 342,006	\$ 2,763,204	\$ 60,872,655	\$ 58,109,451	\$ 34,129,736
Dec-13	38,695,128	30,002,429	(3,119,453)	411,197	3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	\$ 83,859,493	\$ 81,230,961	\$ 45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	\$ 72,662,443	\$ 70,310,106	\$ 41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	\$ 80,357,295	\$ 77,941,568	\$ 45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	\$ 74,898,003	\$ 72,368,177	\$ 41,665,524
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,642,697	\$ 41,341,155
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,246,667	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.61%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 106,357,026	\$ 106,357,026
(2) Fuel Adjustment Clause	\$ (117,516)	\$ (117,516)
(3) DSM	\$ 2,222,929	\$ 2,222,929
(4) Environmental Surcharge		\$ 3,796,858
(5) CSR Credits		\$ (1,101,609)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 108,462,439	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 466	\$ 466
(8) Virginia Retail	\$ 4,956,096	\$ 4,956,096
(9) Wholesale	\$ 7,856,843	\$ 7,856,843
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,847,020	\$ 1,847,020
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 14,660,424	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 123,122,863	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.09%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (2,097,904)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 129,421
(18) Total Company Revenues per Income Statement =		\$ 123,849,629



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DEC 19 2014

PUBLIC SERVICE
COMMISSION

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

Kentucky Utilities 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 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of November 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the January 2015 billing cycle which begins December 31, 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a white background.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of November 2014**

GROUP 1 (Total Revenue)

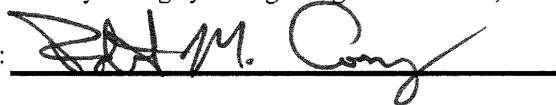
Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,366,176
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		4.65%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	3,317,649
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		8.04%

Effective Date for Billing: January billing cycle beginning December 31, 2014

Submitted by:



Title: Director, Rates

Date Submitted: December 19, 2014

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of November 2014

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

		Environmental Compliance Plans
(1) RB	= \$	958,167,800
(2) RB / 12	= \$	79,847,317
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	2,247,630
(5) BAS	= \$	-
(6) BR	= \$	19,166
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 10,427,192

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.76%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,150,904
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	3,467,079
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	5,683,825

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.63% 58.37%
(15)	Group E(m) [(13) x (14)]	= \$	2,366,176 \$ 3,317,649
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,849,506 \$ 41,259,110
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	4.65% 8.04%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	463,420,098	
Subtotal		\$ 1,054,869,479
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 169,529	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	169,529	
Cash Working Capital Allowance	1,735,250	
Subtotal		1,904,779
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 7,500,930	
Pollution Control Deferred Income Taxes	91,105,528	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		98,606,458
Environmental Compliance Rate Base		\$ 958,167,800

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,077,183
Monthly Depreciation & Amortization Expense		1,062,477
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,493	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,518	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		12,011
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,247,630

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 20,824
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,657)
Net Beneficial Reuse Operations Expense	\$ 19,166

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2014

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 11/30/2014	(7) Deferred Tax Balance as of 11/30/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,261,568.98	\$ 542,017	\$ 90,708,365	\$ -	\$ 20,869,146	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 683,016.19	\$ 2,684,643	\$ 18,624,213	\$ -	\$ 3,839,606	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 1,776,446.30	\$ 4,758,474	\$ 314,563,110	\$ -	\$ 39,591,794	\$ 580,030	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 592,535.34	\$ -	\$ 8,439,136	\$ -	\$ 593,924	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,503,109	\$ 11,503,109	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 179,878.40	\$ (85,597)	\$ 4,013,945	\$ -	\$ 835,440	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 7,493,445	\$ 19,402,645	\$ 447,851,877	\$ -	\$ 65,729,910	\$ 820,746	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 7,039,497	\$ 19,402,645	\$ 447,588,649	\$ -	\$ 65,627,514	\$ 819,524	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 45,791,480	\$ 46,638,147	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 53,265,439	\$ 53,265,439	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,822,979.34	\$ 344,960,534	\$ 508,573,135	\$ -	\$ 27,221,792	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,822,979	\$ 444,017,453	\$ 608,476,721	\$ -	\$ 27,221,792	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ 461,434	\$ 444,017,453	\$ 599,779,900	\$ -	\$ 25,478,014	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 7,500,930	\$ 463,420,098	\$ 1,047,368,549	\$ -	\$ 91,105,528	\$ 1,062,477	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: November 30, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	175,941	1,863	15	\$ 162,414.90	\$ 7,239.75	\$ 173.43	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of November 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	182,585	193	6,837	0	0	175,941	
Dollars	\$ 168,548.11	\$ 0.62	\$ 6,133.83	\$ -	\$ -	\$ 162,414.90	
\$/Allowance	\$ 0.92	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	182,585	-	6,644	-	-	175,941	
Dollars	\$ 168,548.11	\$ -	\$ 6,133.21	\$ -	\$ -	\$ 162,414.90	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	193	193				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.62	\$ 0.62				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of November 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	483	214	0	682	0	15	
Dollars	\$ 2,462.36	\$ 5,596.23	\$ -	\$ 7,885.16	\$ -	\$ 173.43	
\$/Allowance	\$ 5.10	\$ 26.15	\$ -	\$ 11.56	\$ -	\$ 11.56	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	424	59	-	682	0	15	Ending Inventory includes purchases from the market and LG&E
Dollars	\$ 2,161.57	300.79	\$ -	\$ 7,885.16	\$ -	\$ 173.43	as shown below, surrender of 682 allowances as a penalty under
							Consent Decree at Brown, and transfer of allowances from CTs.
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	59	(59)	-	-	-	0	Includes transfer of allowances from CTs.
Dollars	\$ 300.79	(300.79)	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	142	0	0	0	0	Purchased 142 allowances from the market included in
Dollars	\$ -	\$ 3,621.00	\$ -	\$ -	\$ -	\$ -	Ending Inventory - Coal Fuel as shown above
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	72	0	0	0	0	Purchased 72 allowances from LG&E included in
Dollars	\$ -	\$ 1,975.23	\$ -	\$ -	\$ -	\$ -	Ending Inventory - Coal Fuel as shown above
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of November 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	3,013	60	1,182	28	0	1,863	
Dollars	\$ 11,708.74	\$ 1,517.31	\$ 5,877.49	\$ 108.81	\$ -	\$ 7,239.75	
\$/Allowance	\$ 3.89	\$ 25.29	\$ 4.97	\$ 3.89	\$ -	\$ 3.89	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	2,908	-	1,122	-	-	1,786	
Dollars	\$ 11,300.69	\$ -	\$ 4,360.18	\$ -	\$ -	\$ 6,940.51	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	105	-	0	28	0	77	
Dollars	\$ 408.05	\$ -	\$ -	\$ 108.81	\$ -	\$ 299.24	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	60	60	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,517.31	\$ 1,517.31	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 25.29	\$ 25.29	\$ -	\$ -	\$ -	

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

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,198,839
10th Previous Month	1,300,792
9th Previous Month	1,134,282
8th Previous Month	1,259,361
7th Previous Month	980,064
6th Previous Month	1,103,095
5th Previous Month	1,017,983
4th Previous Month	1,204,288
3rd Previous Month	1,061,545
2nd Previous Month	1,361,355
Previous Month	1,164,043
Current Month	1,096,349
Total 12 Month O&M	\$ 13,881,997

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 13,881,997
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,735,250

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: November 30, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	47,980			47,980
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	13,147			13,147
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		228,895	-	228,895
512107 - ECR Landfill Maintenance		4,680	-	4,680
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	61,127	233,576	-	294,703
2011 Plan				
506159 - ECR Sorbent Injection Operation	34,275	49,863		84,139
506152 - ECR Sorbent Reactant - Reagent Only	36,309	625,629		661,937
512152 - ECR Sorbent Injection Maintenance	1,097	35,307		36,405
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	71,681	710,799	-	782,480
Current Month O&M Expense for All Plans	132,808	944,375	-	1,077,183

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2014

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,771,905.87	\$ -
(2) Monthly Amount [(1) / 12]	\$ 314,325.49	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 233,575.62	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 547,901.11	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 357,771.39	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 124,195.77	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: November 30, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	11,185
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	9,638
Total Monthly Beneficial Reuse Expense			20,824
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,657)
Net Beneficial Reuse O&M Expense			19,166

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (19,889)	\$ (19,889)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,657)	\$ (1,657)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 20,824	\$ 20,824
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 19,166	\$ 19,166
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)]	\$ -	\$ -	\$ 19,166	\$ 19,166
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,657)	\$ (1,657)
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)	\$ -	\$ -	\$ (1,657)	\$ (1,657)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: November 30, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Dec-13	\$ 36,078,107	\$ 18,455,124	\$ (2,039,041)	\$ 1,903,800	\$ 2,599,351	\$ 56,997,342	\$ 54,397,991
Jan-14	47,880,472	24,918,778	(2,406,430)	2,934,452	3,562,881	\$ 76,890,154	\$ 73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	\$ 77,663,924	\$ 73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	\$ 52,776,994	\$ 51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	\$ 45,572,521	\$ 44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	\$ 49,278,230	\$ 47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	\$ 37,361,293	\$ 36,094,262
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	\$ 41,797,186	\$ 40,234,333
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,849,506
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,159,088
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.63%

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)
Dec-13	\$ 38,695,128	\$ 30,002,429	\$ (3,119,453)	\$ 411,197	\$ 3,230,357	\$ 69,219,658	\$ 65,989,301	\$ 39,106,325
Jan-14	39,725,864	27,662,702	(2,650,279)	646,989	3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	\$ 83,859,493	\$ 81,230,961	\$ 45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	\$ 72,662,443	\$ 70,310,106	\$ 41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	\$ 80,357,295	\$ 77,941,568	\$ 45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	\$ 74,898,003	\$ 72,368,177	\$ 41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	\$ 56,344,656	\$ 54,112,062	\$ 33,145,193
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,309,582	\$ 41,259,110
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,159,088	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.37%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Reconciliation of Reported Revenues

For the Month Ended: November 30, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 93,168,923	\$ 93,168,923
(2) Fuel Adjustment Clause	\$ (1,150,587)	\$ (1,150,587)
(3) DSM	\$ 2,328,059	\$ 2,328,059
(4) Environmental Surcharge		\$ 3,795,447
(5) CSR Credits		\$ (62,110)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 94,346,395	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 793	\$ 793
(8) Virginia Retail	\$ 5,970,073	\$ 5,970,073
(9) Wholesale	\$ 6,547,102	\$ 6,547,102
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 641,581	\$ 641,581
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,159,549	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 107,505,944	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.76%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 23,288,053
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 3,819,433
(18) Total Company Revenues per Income Statement =		\$ 138,346,767

Page 1092 of 1211
RECEIVED
Conroy

JAN 20 2015

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

January 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of December 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the February 2015 billing cycle which begins January 30, 2015.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2014.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert M. Conroy', written over a white background.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLC
FED TAX ID # 27-2585037

INVOICE DATE: 11/1/2014
INVOICE #: 20141056
INVOICE PERIOD: 10/01/2014-10/31/2014
PROJECT NAME: Kentucky LGE Environmental Compliance
VANTAGE PROJECT #: 2011-56

FIRM INVOICED: Daryl E. Newby
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
KU/LGE Construction Oversight
Reviewed quarterly report as well as three EPC reports. Visited Trimble County and Brown plants.

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	10/01/2014-10/31/2014	22	\$260	\$5,720.00	\$1,224.06	\$6,944.06	
Chuck Buechel	10/01/2014-10/31/2014	25	\$240	\$6,000.00	\$254.10	\$6,254.10	
Mike Boismenu	10/01/2014-10/31/2014	32	\$240	\$7,680.00	\$1,062.43	\$8,742.43	
SUB TOTALS		79		\$19,400.00	\$2,540.59	\$21,940.59	
TOTAL FEES							\$19,400.00
TOTAL PERSONAL EXPENSES							\$2,540.59
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount							\$21,940.59
TOTAL MONTHLY INVOICE AMOUNT							\$21,940.59

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.
PO Box 420395
Summerland Key, FL 33042
Attn: Walter P. Drabinski
305-394-0784

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of December 2014**

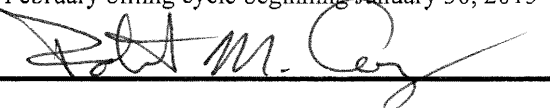
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,998,817
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.92%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,808,343
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.76%

Effective Date for Billing: February billing cycle beginning January 30, 2015

Submitted by: 

Title: Director, Rates

Date Submitted: January 20, 2015

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of December 2014

Calculation of Total E(m)

$E(m) = \left[\left(\frac{RB}{12} \right) (ROR + (ROR - DR)(TR / (1 - TR))) \right] + OE - BAS + BR$, 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	= \$	951,842,719
(2)	RB / 12	= \$	79,320,227
(3)	$(ROR + (ROR - DR)(TR / (1 - TR)))$	=	10.22%
(4)	OE	= \$	2,691,955
(5)	BAS	= \$	-
(6)	BR	= \$	14,876
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	= \$	10,813,357

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.07%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,523,324
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	4,716,164
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,807,160

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.58%		58.42%
(15)	Group E(m) [(13) x (14)]	= \$	1,998,817	\$	2,808,343
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	51,052,521	\$	41,532,010
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.92%		6.76%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of December 2014

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 728,772,217	
Eligible Pollution CWIP Excluding AFUDC	364,632,027	
Subtotal		\$ 1,093,404,244
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 158,584	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	158,584	
Cash Working Capital Allowance	1,759,350	
Subtotal		1,917,934
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 8,724,536	
Pollution Control Deferred Income Taxes	134,754,923	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		143,479,459
Environmental Compliance Rate Base		\$ 951,842,719

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,376,766
Monthly Depreciation & Amortization Expense		1,193,753
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	12,478	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,370	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		13,848
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		11,629
Total Pollution Control Operations Expense		\$ 2,691,955

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan	
Total Monthly Beneficial Reuse Expense	\$	16,909
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(2,033)
Net Beneficial Reuse Operations Expense	\$	14,876

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2014

(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	Unamortized ITC as of 12/31/2014	Deferred Tax Balance as of 12/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,446,490.32	\$ 905,312	\$ 90,886,739	\$ -	\$ 21,136,255	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 715,539.29	\$ 2,724,909	\$ 18,631,956	\$ -	\$ 3,868,818	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 2,356,476.61	\$ 6,769,793	\$ 315,994,400	\$ -	\$ 54,237,512	\$ 580,030	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 608,317.31	\$ -	\$ 8,423,354	\$ -	\$ 605,931	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,684,487	\$ 11,684,487	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 187,367.39	\$ (85,597)	\$ 4,006,456	\$ -	\$ 837,614	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 8,314,191	\$ 21,998,905	\$ 449,627,392	\$ -	\$ 80,686,130	\$ 820,746	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 7,860,242	\$ 21,998,905	\$ 449,364,164	\$ -	\$ 80,583,734	\$ 819,524	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 55,490,185	\$ 56,336,852	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 58,345,217	\$ 58,345,217	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 302,758,416	\$ 2,225,839.00	\$ 228,797,720	\$ 529,330,297	\$ -	\$ 55,914,967	\$ 402,860	\$ 37,960
Subtotal	\$ 303,605,083	\$ 2,225,839	\$ 342,633,122	\$ 644,012,366	\$ -	\$ 55,914,967	\$ 402,860	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 293,546,715	\$ 864,293	\$ 342,633,122	\$ 635,315,544	\$ -	\$ 54,171,189	\$ 374,229	\$ 42,746
Net Total - All Plans:	\$ 728,772,217	\$ 8,724,536	\$ 364,632,027	\$ 1,084,679,708	\$ -	\$ 134,754,923	\$ 1,193,753	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: December 31, 2014

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂	NOx Annual	NOx Ozone Season	SO ₂	NOx Annual	NOx Ozone Season	
Current Year	169,751	458	15	\$ 156,700.78	\$ 1,997.46	\$ 173.43	
2015	77,535						
2016	77,535						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034 - 2043	775,350						

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of December 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	175,941	161	6,351	0	0	169,751	
Dollars	\$ 162,414.90	\$ 0.53	\$ 5,714.65	\$ -	\$ -	\$ 156,700.78	
\$/Allowance	\$ 0.92	\$ -	\$ 0.90	\$ -	\$ -	\$ 0.92	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	175,941	-	6,190	-	-	169,751	
Dollars	\$ 162,414.90	\$ -	\$ 5,714.12	\$ -	\$ -	\$ 156,700.78	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	161	161				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.53	\$ 0.53				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of December 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	15	0	0	0	0	15	
Dollars	\$ 173.43	\$ -	\$ -	\$ -	\$ -	\$ 173.43	
\$/Allowance	\$ 11.56	\$ -	\$ -	\$ -	\$ -	\$ 11.56	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	15	-	-	-	0	15	
Dollars	\$ 173.43	\$ -	\$ -	\$ -	\$ -	\$ 173.43	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2014

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	1,863	216	1,610	11	0	458	
Dollars	\$ 7,239.75	\$ 2,939.41	\$ 8,133.73	\$ 47.97	\$ -	\$ 1,997.46	
\$/Allowance	\$ 3.89	\$ 13.61	\$ 5.05	\$ 4.36	\$ -	\$ 4.36	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	1,786	-	1,551	-	-	392	Ending Inventory includes purchases from the market as shown below.
Dollars	\$ 6,940.51	\$ (36.57)	\$ 6,764.32	\$ -	\$ -	\$ 1,709.62	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	77	-	0	11	0	66	
Dollars	\$ 299.24	\$ 36.57	\$ -	\$ 47.97	\$ -	\$ 287.84	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	157	0	0	0	0	Purchased 157 allowances from the market included in Ending Inventory - Coal Fuel as shown above
Dollars	\$ -	\$ 1,570.00	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 10.00	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	59	59	0	0	0	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 1,369.41	\$ 1,369.41	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ 23.21	\$ 23.21	\$ -	\$ -	\$ -	

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

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,300,792
10th Previous Month	1,134,282
9th Previous Month	1,259,361
8th Previous Month	980,064
7th Previous Month	1,103,095
6th Previous Month	1,017,983
5th Previous Month	1,204,288
4th Previous Month	1,061,545
3rd Previous Month	1,361,355
2nd Previous Month	1,164,043
Previous Month	1,096,349
Current Month	1,391,642
Total 12 Month O&M	\$ 14,074,800

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,074,800
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,759,350

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: December 31, 2014

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	80,965			80,965
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	225,391			225,391
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		224,558	-	224,558
512107 - ECR Landfill Maintenance		5,132	-	5,132
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	306,356	229,690	-	536,046
2011 Plan				
506159 - ECR Sorbent Injection Operation	30,197	51,509		81,706
506152 - ECR Sorbent Reactant - Reagent Only	45,837	681,876		727,713
512152 - ECR Sorbent Injection Maintenance	2,544	28,756		31,301
506156 - ECR Baghouse Operations	-			-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	78,578	762,142	-	840,720
Current Month O&M Expense for All Plans	384,935	991,832	-	1,376,766

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2014

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,570,933.16	\$ -
(2) Monthly Amount [(1) / 12]	\$ 297,577.76	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 229,690.00	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 527,267.76	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 337,138.05	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 107,448.05	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: December 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	9,112
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,797
Total Monthly Beneficial Reuse Expense			16,909
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,033)
Net Beneficial Reuse O&M Expense			14,876

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2014

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (24,401)	\$ (24,401)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,033)	\$ (2,033)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 16,909	\$ 16,909
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 14,876	\$ 14,876
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)]	\$ -	\$ -	\$ 14,876	\$ 14,876
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,033)	\$ (2,033)
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)	\$ -	\$ -	\$ (2,033)	\$ (2,033)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: December 31, 2014

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)	Total Excluding Environmental Surcharge (7)-(6)
Jan-14	\$ 47,880,472	\$ 24,918,778	\$ (2,406,430)	\$ 2,934,452	\$ 3,562,881	\$ 76,890,154	\$ 73,327,273
Feb-14	47,306,491	24,561,922	(1,256,502)	2,897,744	4,154,270	77,663,924	73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	64,377,123	63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	43,685,955	43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	38,340,681	37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	46,926,523	45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	45,572,521	44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	49,278,230	47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	37,361,293	36,094,262
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	41,797,186	40,234,333
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	59,322,709	56,834,172
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 51,052,521
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,777,981
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.58%

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)
Jan-14	\$ 39,725,864	\$ 27,662,702	\$ (2,650,279)	\$ 646,989	\$ 3,409,510	\$ 68,794,786	\$ 65,385,276	\$ 40,372,853
Feb-14	43,719,134	32,991,557	(1,930,958)	641,440	4,280,945	79,702,117	75,421,173	44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	74,939,829	73,541,375	41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	69,598,962	68,754,993	38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	73,473,808	71,994,309	40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	80,845,840	78,665,677	43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	72,662,443	70,310,106	41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	80,357,295	77,941,568	45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	74,898,003	72,368,177	41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	56,344,656	54,112,062	33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	74,161,436	70,979,847	42,381,127
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,725,460	\$ 41,532,010
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,777,981	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.42%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2014

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 129,726,290	\$ 129,726,290
(2) Fuel Adjustment Clause	\$ (5,301,548)	\$ (5,301,548)
(3) DSM	\$ 3,389,277	\$ 3,389,277
(4) Environmental Surcharge		\$ 5,670,127
(5) CSR Credits		\$ (1,102,152)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 127,814,019	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 851	\$ 851
(8) Virginia Retail	\$ 8,005,334	\$ 8,005,334
(9) Wholesale	\$ 9,075,876	\$ 9,075,876
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 228,078	\$ 228,078
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 17,310,139	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 145,124,157	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.07%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (2,765,000)
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 3,529,490
(18) Total Company Revenues per Income Statement =		\$ 150,456,622

RECEIVED

FEB 20 2015

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of January 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the March 2015 billing cycle which begins March 3, 2015.

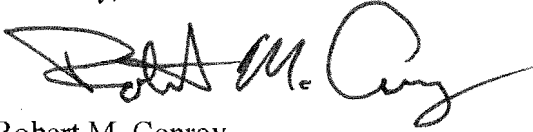
With the implementation of the Cross-State Air Pollution Rule ("CSAPR") in January 2015, KU has included two supplemental schedules to support ES Form 2.31 to report the existing Clean Air Interstate Rule ("CAIR") SO₂ allowances and the new CSAPR SO₂ allowances. For the Annual and Ozone NO_x allowances, the CAIR allowances have been replaced by CSAPR Annual and Ozone NO_x allowances. The existing CAIR NO_x allowances are not valid for surrender beyond 2014. Therefore, the beginning balances for the Annual and Ozone NO_x allowances reported on ES Forms 2.32 and 2.33 have been reset to zero to reflect this change. The remaining CAIR NO_x allowances have been removed from the forms but will be held in inventory until the final EPA true-up is complete in March 2015.

Mr. Jeff DeRouen
February 20, 2015

Attachment to Response to SV Question No. 2(b)
Page 1110 of 1211
Conroy

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

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Conroy". The signature is stylized with a large, looped "C" at the end.

Robert M. Conroy

Enclosures

ES FORM 1.00

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of January 2015

GROUP 1 (Total Revenue)

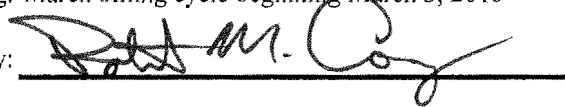
Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,011,241
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.98%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,883,481
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.91%

Effective Date for Billing: March billing cycle beginning March 3, 2015

Submitted by:



Title: Director, Rates

Date Submitted: February 20, 2015

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of January 2015

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

		Environmental Compliance Plans	
(1) RB	= \$	969,125,037	
(2) RB / 12	= \$	80,760,420	
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%	
(4) OE	= \$	3,167,055	
(5) BAS	= \$	-	
(6) BR	= \$	10,438	
(7) E(m)	= \$	11,431,207	
		(2) x (3) + (4) - (5) + (6)	

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.43%	
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,994,304	
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=		
(11) Prior Period Adjustment (if necessary)	= \$	-	
(12) Revenue Collected through Base Rates	= \$	5,099,582	
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,894,722	

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.09%	58.91%
(15) Group E(m) [(13) x (14)]	= \$	2,011,241	\$ 2,883,481
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,561,033	\$ 41,756,943
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.98%	6.91%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of January 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 728,726,672	
Eligible Pollution CWIP Excluding AFUDC	384,131,601	
Subtotal		\$ 1,112,858,273
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 154,864	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	154,864	
Cash Working Capital Allowance	1,811,142	
Subtotal		1,966,006
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 10,062,851	
Pollution Control Deferred Income Taxes	135,636,391	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		145,699,242
Environmental Compliance Rate Base		\$ 969,125,037

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,704,693
Monthly Depreciation & Amortization Expense		1,324,944
Monthly Taxes Other Than Income Taxes		135,581
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,837	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		1,837
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 3,167,055

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 12,323
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,885)
Net Beneficial Reuse Operations Expense	\$ 10,438

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2015

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 1/31/2015	(7) Deferred Tax Balance as of 1/31/2015	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,631,411.66	\$ 1,776,427	\$ 91,572,933	\$ -	\$ 21,308,168	\$ 184,921	\$ 11,361
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 748,062.39	\$ 2,724,909	\$ 18,599,433	\$ -	\$ 3,899,085	\$ 32,523	\$ 2,329
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 2,936,506.92	\$ 7,008,495	\$ 315,653,071	\$ -	\$ 54,504,453	\$ 580,050	\$ 39,499
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 624,099.28	\$ -	\$ 8,407,572	\$ -	\$ 616,484	\$ 15,782	\$ 1,053
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,776,565	\$ 11,776,565	\$ -	\$ -	\$ -	\$ 1,461
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 194,856.38	\$ (85,597)	\$ 3,998,967	\$ -	\$ 839,415	\$ 7,489	\$ 501
Subtotal	\$ 435,942,678	\$ 9,134,937	\$ 23,200,799	\$ 450,008,541	\$ -	\$ 81,167,605	\$ 820,746	\$ 56,204
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 8,680,988	\$ 23,200,799	\$ 449,745,313	\$ -	\$ 81,065,210	\$ 819,524	\$ 56,171
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 59,941,549	\$ 60,788,216	\$ -	\$ -	\$ -	\$ 7,042
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 62,169,518	\$ 62,169,518	\$ -	\$ -	\$ -	\$ 7,293
Project 35 - Ghent Station Air Compliance	\$ 302,758,416	\$ 2,759,974.31	\$ 238,819,735	\$ 538,818,177	\$ -	\$ 56,318,835	\$ 534,135	\$ 66,166
Subtotal	\$ 303,605,083	\$ 2,759,974	\$ 360,930,802	\$ 661,775,910	\$ -	\$ 56,318,835	\$ 534,135	\$ 80,501
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,103,912)	\$ (1,378,112)	\$ -	\$ (8,725,800)	\$ -	\$ (1,747,653)	\$ (28,714)	\$ (1,091)
Net Total - 2011 Plan:	\$ 293,501,171	\$ 1,381,863	\$ 360,930,802	\$ 653,050,110	\$ -	\$ 54,571,181	\$ 505,421	\$ 79,410
Net Total - All Plans:	\$ 728,726,672	\$ 10,062,851	\$ 384,131,601	\$ 1,102,795,423	\$ -	\$ 135,636,391	\$ 1,324,944	\$ 135,581

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: January 31, 2015

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂ (Note 1)	NO _x Annual	NO _x Ozone Season	SO ₂ (Note 2)	NO _x Annual	NO _x Ozone Season	
Current Year	281,993	13,460	6,786	\$ 154,863.73	\$ -	\$ -	
2016	118,522						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034	77,535						
2035 - 2044	775,350						

Note 1: Includes CAIR allowances of 244,387 for the current year and 77,535 for years 2016 through 2044. Includes CSAPR allowances of 37,606 for the current year and 40,987 for 2016.

Note 2: Total Dollar Value of Vintage Year for SO₂ allowances are associated with CAIR allowances only. EPA allotment of CSAPR allowances have \$0 value when received.

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	169,751	118,290	6,048	0	0	281,993	
Dollars	\$ 156,700.78	\$ 0.19	\$ 1,837.24	\$ -	\$ -	\$ 154,863.73	
\$/Allowance	\$ 0.92	\$ -	\$ 0.30	\$ -	\$ -	\$ 0.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	169,751	118,030	5,798	-	-	281,983	
Dollars	\$ 156,700.78	\$ -	\$ 1,837.05	\$ -	\$ -	\$ 154,863.73	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	10	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	250	250	-	-	-	KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.19	\$ 0.19	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year
For the Expense Month of January 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	169,751	77,660	3,024	0	0	244,387	
Dollars	\$ 156,700.78	\$ 0.19	\$ 1,837.24	\$ -	\$ -	\$ 154,863.73	
\$/Allowance	\$ 0.92	\$ -	\$ 0.61	\$ -	\$ -	\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	169,751	77,535	2,899	-	-	244,387	Received 2015 CAIR SO2 allowance allocation
Dollars	\$ 156,700.78	\$ -	\$ 1,837.05	\$ -	\$ -	\$ 154,863.73	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	125	125				KU's share of allowance expense for TC2.
Dollars	\$ -	\$ 0.19	\$ 0.19				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of January 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	0	40,630	3,024	0	0	37,606	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	-	40,495	2,899	-	-	37,596	Received 2015 CSAPR SO2 allowance allocation
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	10	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	125	125				KU's share of allowance expense for TC2.
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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of January 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	0	6,786	0	0	0	6,786	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	-	6,653	-	-	0	6,653	Beginning inventory reset to 0 to reflect transition from CAIR to CSAPR allowances and included the 2015 CSAPR allocations
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Remaining CAIR allowances to be expensed when final EPA true-up is complete.							
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	133	-	-	-	133	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of January 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	0	15,050	1,564	26	0	13,460	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	-	14,792	1,511	-	-	13,281	Beginning inventory reset to 0 to reflect transition from CAIR to CSAPR allowances and included the 2015 CSAPR allocations Remaining CAIR allowances to be expensed when final EPA true-up is complete.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	0	205	0	26	0	179	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	53	53	0	0	0	KU's share of allowance expense for TC2.
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2015

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,134,282
10th Previous Month	1,259,361
9th Previous Month	980,064
8th Previous Month	1,103,095
7th Previous Month	1,017,983
6th Previous Month	1,204,288
5th Previous Month	1,061,545
4th Previous Month	1,361,355
3rd Previous Month	1,164,043
2nd Previous Month	1,096,349
Previous Month	1,391,642
Current Month	1,715,130
Total 12 Month O&M	\$ 14,489,138

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,489,138
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,811,142

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: January 31, 2015

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	41,114			41,114
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	125,272			125,272
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		337,393	-	337,393
512107 - ECR Landfill Maintenance		14,184	-	14,184
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	166,386	351,577	-	517,963
2011 Plan				
506159 - ECR Sorbent Injection Operation	40,820	61,889		102,709
506152 - ECR Sorbent Reactant - Reagent Only	39,658	1,014,964		1,054,622
512152 - ECR Sorbent Injection Maintenance	349	29,049		29,399
506156 - ECR Baghouse Operations	-	-		-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	-		-
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	80,827	1,105,903		1,186,730
Current Month O&M Expense for All Plans	247,213	1,457,480	-	1,704,693

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

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2015

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,584,291.07	\$ -
(2) Monthly Amount [(1) / 12]	\$ 298,690.92	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 351,576.97	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 650,267.89	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 460,138.18	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 108,561.21	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: January 31, 2015

Third Party	O&M Expense Account	Plant	Total O&M
Air Technologies	501253 - ECR Fly Ash Disposal	Trimble County	531
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	11,792
Total Monthly Beneficial Reuse Expense			12,323
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,885)
Net Beneficial Reuse O&M Expense			10,438

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2015

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (22,625)	\$ (22,625)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,885)	\$ (1,885)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 12,323	\$ 12,323
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 10,438	\$ 10,438
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)]	\$ -	\$ -	\$ 10,438	\$ 10,438
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,885)	\$ (1,885)
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)	\$ -	\$ -	\$ (1,885)	\$ (1,885)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: January 31, 2015

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)	Total Excluding Environmental Surcharge (7)-(6)
Feb-14	\$ 47,306,491	\$ 24,561,922	\$ (1,256,502)	\$ 2,897,744	\$ 4,154,270	\$ 77,663,924	\$ 73,509,654
Mar-14	39,214,568	19,693,998	2,102,546	2,311,234	1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	\$ 43,685,955	\$ 43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	\$ 46,926,523	\$ 45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	\$ 52,776,994	\$ 51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	\$ 45,572,521	\$ 44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	\$ 49,278,230	\$ 47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	\$ 37,361,293	\$ 36,094,262
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	\$ 41,797,186	\$ 40,234,333
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	\$ 59,322,709	\$ 56,834,172
Jan-15	42,551,042	21,716,240	158,628	3,003,501	3,133,635	\$ 70,563,046	\$ 67,429,411
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,561,033
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 123,037,182
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.09%

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-14	\$ 43,719,134	\$ 32,991,557	\$ (1,930,958)	\$ 641,440	\$ 4,280,945	\$ 79,702,117	\$ 75,421,173	\$ 44,360,573
Mar-14	40,515,878	29,724,350	2,710,093	591,054	1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	\$ 83,859,493	\$ 81,230,961	\$ 45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	\$ 72,662,443	\$ 70,310,106	\$ 41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	\$ 80,357,295	\$ 77,941,568	\$ 45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	\$ 74,898,003	\$ 72,368,177	\$ 41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	\$ 56,344,656	\$ 54,112,062	\$ 33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	\$ 74,161,436	\$ 70,979,847	\$ 42,381,127
Jan-15	42,165,733	31,691,471	(369,974)	906,317	3,454,924	\$ 77,848,471	\$ 74,393,548	\$ 43,072,050
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 72,476,150	\$ 41,756,943
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 123,037,182	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.91%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2015

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 138,124,486	\$ 138,124,486
(2) Fuel Adjustment Clause	\$ (211,346)	\$ (211,346)
(3) DSM	\$ 3,909,818	\$ 3,909,818
(4) Environmental Surcharge		\$ 6,588,559
(5) CSR Credits		\$ (2,098,967)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 141,822,958	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,112	\$ 1,112
(8) Virginia Retail	\$ 8,620,764	\$ 8,620,764
(9) Wholesale	\$ 11,191,053	\$ 11,191,053
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 575,745	\$ 575,745
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 20,388,673	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 162,211,631	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	87.43%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 4,077,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ (3,655,239)
(18) Total Company Revenues per Income Statement =		\$ 167,122,984

MAR 20 2015

PUBLIC SERVICE
COMMISSION



a PPL company

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

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State Regulation and Rates
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Director - Rates
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March 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of February 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the April 2015 billing cycle which begins April 1, 2015.

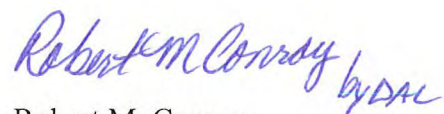
In December 2014, the 2014 Tax Increase Prevention Act was passed into law, resulting in an extension of 50% bonus tax depreciation for qualified property placed into service before January 1, 2015. Due to this change in tax law, KU's ECR Project 30 – Ghent CCP Storage (Landfill Phase I) had additional bonus depreciation that was not included in the Deferred Tax Balance on ES Form 2.10 of the original monthly filings for September through November 2013. The cumulative impact of the additional bonus tax depreciation is reflected as a Prior Period Adjustment on ES Form 1.10 for the February 2015 expense month. Attached to this filing is Attachment 1 that includes the supporting calculations and revised ES Forms 1.10, 2.00 and 2.10 for the September through November 2015 expense months.

Mr. Jeff DeRouen
March 20, 2015

Attachment to Response to SV Question No. 2(b)
Page 1129 of 1211
Conroy

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

Sincerely,

A handwritten signature in blue ink that reads "Robert M. Conroy" followed by a stylized flourish that appears to be "by DAC".

Robert M. Conroy

Enclosures

Attachment 1

Summary of Calculation of Prior Period Adjustment included in the February 2015 Expense Month Filing

KU ECR Project 30 - Cumulative Impact of Bonus Tax Depreciation for Ghent Landfill

1	2	3	4	5	6	7	8
Expense Month	Deferred Taxes As Filed	Deferred Taxes As Revised	Change to Deferred Taxes	Rate of Return	Change to Return on Rate Base (Total E(m)) (Col 4 x Col 5)/12	Retail Juris Allocation	Change to Juris E(m) (Col 6 x Col 7)
Sep-14	\$ (15,751,161)	\$ (16,552,122)	\$ (800,961)	10.22%	\$ (6,822)	89.08%	\$ (6,077)
Oct-14	(27,731,178)	(29,237,288)	(1,506,110)	10.22%	(12,827)	88.09%	(11,299)
Nov-14	(39,591,794)	(41,922,454)	(2,330,660)	10.22%	(19,849)	87.76%	(17,420)

Total - Cumulative Impact of Adjustment for Project 30 - Ghent Landfill

\$ (34,796)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of September 2014 as Revised on March 20, 2015

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

		Environmental Compliance Plans
(1) RB	= \$	930,776,213
(2) RB / 12	= \$	77,564,684
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.22%
(4) OE	= \$	2,280,139
(5) BAS	= \$	-
(6) BR	= \$	10,875
(7) E(m)	(2) x (3) + (4) - (5) + (6)	10,218,125

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	89.08%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,102,306
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11) Prior Period Adjustment (if necessary)	= \$	-
(12) Revenue Collected through Base Rates	= \$	4,377,643
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,724,663

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.56%	58.44%
(15) Group E(m) [(13) x (14)]	= \$	1,963,570	\$ 2,761,093
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,583,720	\$ 41,062,283
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.88%	6.72%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of September 2014 as Revised on March 20, 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	402,069,170	
Subtotal		\$ 993,518,551
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 191,325	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	191,325	
Cash Working Capital Allowance	1,709,382	
Subtotal		1,900,707
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 5,316,270	
Pollution Control Deferred Income Taxes	59,326,775	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		64,643,045
Environmental Compliance Rate Base		\$ 930,776,213

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,350,479
Monthly Depreciation & Amortization Expense		816,174
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	14,807	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	2,720	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		17,527
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,280,139

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 12,928
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,052)
Net Beneficial Reuse Operations Expense	\$ 10,875

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2014 as Revised on March 20, 2015

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 9/30/2014	(7) Deferred Tax Balance as of 9/30/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 3,891,726.30	\$ 542,017	\$ 91,078,208	\$ -	\$ 20,331,036	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 617,969.99	\$ 2,662,045	\$ 18,666,662	\$ -	\$ 3,777,882	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 616,385.68	\$ 2,526,536	\$ 313,491,233	\$ -	\$ 16,552,122	\$ 333,727	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 560,971.40	\$ -	\$ 8,470,700	\$ -	\$ 569,980	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,223,319	\$ 11,223,319	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 164,900.42	\$ (85,597)	\$ 4,028,923	\$ -	\$ 831,074	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 5,851,954	\$ 16,868,320	\$ 446,959,044	\$ -	\$ 42,062,093	\$ 574,443	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 5,398,005	\$ 16,868,320	\$ 446,695,816	\$ -	\$ 41,959,698	\$ 573,220	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 40,853,055	\$ 41,699,721	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 43,739,448	\$ 43,739,448	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,279,810.62	\$ 300,608,347	\$ 464,764,117	\$ -	\$ 19,110,855	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,279,811	\$ 385,200,850	\$ 550,203,287	\$ -	\$ 19,110,855	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ (81,735)	\$ 385,200,850	\$ 541,506,465	\$ -	\$ 17,367,077	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 5,316,270	\$ 402,069,170	\$ 988,202,281	\$ -	\$ 59,326,775	\$ 816,174	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Calculation of Total E(m) and
Jurisdictional Surcharge Billing Factor

For the Expense Month of October 2014 as Revised on March 20, 2015

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

			Environmental Compliance Plans
(1) RB	= \$	945,540,539	
(2) RB / 12	= \$	78,795,045	
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%	
(4) OE	= \$	2,323,027	
(5) BAS	= \$	-	
(6) BR	= \$	9,993	
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$	10,385,874

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.09%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,148,916
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	3,786,932
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	5,361,984

Calculation of Group Environmental Surcharge Billing Factors

			<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.39%	58.61%
(15)	Group E(m) [(13) x (14)]	= \$	2,219,325	\$ 3,142,659
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,603,970	\$ 41,341,155
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	4.39%	7.60%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of October 2014 as Revised on March 20, 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	434,960,536	
Subtotal		\$ 1,026,409,917
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 182,010	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	182,010	
Cash Working Capital Allowance	1,738,693	
Subtotal		1,920,703
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 6,408,600	
Pollution Control Deferred Income Taxes	76,381,481	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		82,790,081
Environmental Compliance Rate Base		\$ 945,540,539

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,154,050
Monthly Depreciation & Amortization Expense		1,062,477
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	9,314	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,227	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		10,541
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,323,027

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 11,847
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,854)
Net Beneficial Reuse Operations Expense	\$ 9,993

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2014 as Revised on March 20, 2015

(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	Unamortized ITC as of 10/31/2014	Deferred Tax Balance as of 10/31/2014	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,076,647.64	\$ 542,017	\$ 90,893,286	\$ -	\$ 20,600,091	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 650,493.09	\$ 2,684,693	\$ 18,656,787	\$ -	\$ 3,808,744	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 1,196,415.99	\$ 3,669,426	\$ 314,054,093	\$ -	\$ 29,237,288	\$ 580,030	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 576,753.37	\$ -	\$ 8,454,918	\$ -	\$ 581,952	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,364,309	\$ 11,364,309	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 172,389.41	\$ (85,597)	\$ 4,021,434	\$ -	\$ 833,257	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 6,672,700	\$ 18,174,848	\$ 447,444,826	\$ -	\$ 55,061,331	\$ 820,746	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 6,218,751	\$ 18,174,848	\$ 447,181,599	\$ -	\$ 54,958,936	\$ 819,524	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 43,520,565	\$ 44,367,232	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 48,371,139	\$ 48,371,139	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,551,394.98	\$ 324,893,983	\$ 488,778,169	\$ -	\$ 23,166,324	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,551,395	\$ 416,785,688	\$ 581,516,540	\$ -	\$ 23,166,324	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ 189,849	\$ 416,785,688	\$ 572,819,719	\$ -	\$ 21,422,546	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 6,408,600	\$ 434,960,536	\$ 1,020,001,317	\$ -	\$ 76,381,481	\$ 1,062,477	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of November 2014 as Revised on March 20, 2015

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

		Environmental Compliance Plans
(1) RB	= \$	955,837,140
(2) RB / 12	= \$	79,653,095
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	2,247,630
(5) BAS	= \$	-
(6) BR	= \$	19,166
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	10,407,342

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	87.76%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,133,483
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11) Prior Period Adjustment (if necessary)	= \$	-
(12) Revenue Collected through Base Rates	= \$	3,467,079
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	5,666,404

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.63%	58.37%
(15) Group E(m) [(13) x (14)]	= \$	2,358,924	\$ 3,307,480
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,849,506	\$ 41,259,110
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	4.64%	8.02%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of November 2014 as Revised on March 20, 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 591,449,381	
Eligible Pollution CWIP Excluding AFUDC	463,420,098	
Subtotal		\$ 1,054,869,479
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 169,529	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	169,529	
Cash Working Capital Allowance	1,735,250	
Subtotal		1,904,779
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 7,500,930	
Pollution Control Deferred Income Taxes	93,436,188	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		100,937,118
Environmental Compliance Rate Base		\$ 955,837,140

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,077,183
Monthly Depreciation & Amortization Expense		1,062,477
Monthly Taxes Other Than Income Taxes		95,959
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	10,493	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	1,518	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		12,011
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,247,630

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 20,824
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,657)
Net Beneficial Reuse Operations Expense	\$ 19,166

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2014 as Revised on March 20, 2015

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 11/30/2014	(7) Deferred Tax Balance as of 11/30/2014	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,261,568.98	\$ 542,017	\$ 90,708,365	\$ -	\$ 20,869,146	\$ 184,921	\$ 11,571
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 683,016.19	\$ 2,684,643	\$ 18,624,213	\$ -	\$ 3,839,606	\$ 32,523	\$ 2,416
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 1,776,446.30	\$ 4,758,474	\$ 314,563,110	\$ -	\$ 41,922,454	\$ 580,030	\$ 36,513
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 592,535.34	\$ -	\$ 8,439,136	\$ -	\$ 593,924	\$ 15,782	\$ 1,077
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,503,109	\$ 11,503,109	\$ -	\$ -	\$ -	\$ 1,157
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 179,878.40	\$ (85,597)	\$ 4,013,945	\$ -	\$ 835,440	\$ 7,489	\$ 512
Subtotal	\$ 435,942,678	\$ 7,493,445	\$ 19,402,645	\$ 447,851,877	\$ -	\$ 68,060,570	\$ 820,746	\$ 53,246
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 7,039,497	\$ 19,402,645	\$ 447,588,649	\$ -	\$ 67,958,174	\$ 819,524	\$ 53,213
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 846,667	\$ -	\$ 45,791,480	\$ 46,638,147	\$ -	\$ -	\$ -	\$ 3,614
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 53,265,439	\$ 53,265,439	\$ -	\$ -	\$ -	\$ 2,271
Project 35 - Ghent Station Air Compliance	\$ 165,435,581	\$ 1,822,979.34	\$ 344,960,534	\$ 508,573,135	\$ -	\$ 27,221,792	\$ 271,584	\$ 37,960
Subtotal	\$ 166,282,248	\$ 1,822,979	\$ 444,017,453	\$ 608,476,721	\$ -	\$ 27,221,792	\$ 271,584	\$ 43,845
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (10,058,367)	\$ (1,361,546)	\$ -	\$ (8,696,822)	\$ -	\$ (1,743,778)	\$ (28,631)	\$ (1,098)
Net Total - 2011 Plan:	\$ 156,223,880	\$ 461,434	\$ 444,017,453	\$ 599,779,900	\$ -	\$ 25,478,014	\$ 242,954	\$ 42,746
Net Total - All Plans:	\$ 591,449,381	\$ 7,500,930	\$ 463,420,098	\$ 1,047,368,549	\$ -	\$ 93,436,188	\$ 1,062,477	\$ 95,959

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of February 2015**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,989,339
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.95%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,829,796
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.86%

Effective Date for Billing: April billing cycle beginning April 1, 2015

Submitted by: Robert M Conroy *by DAC*

Title: Director, Rates

Date Submitted: March 20, 2015

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of February 2015

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

		Environmental Compliance Plans
(1) RB	= \$	990,499,868
(2) RB / 12	= \$	82,541,656
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	2,824,414
(5) BAS	= \$	-
(6) BR	= \$	13,916
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 11,274,087

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.33%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,732,919
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	(34,796)
(12)	Revenue Collected through Base Rates	= \$	4,878,988
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,819,135

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	= 41.28%	58.72%
(15)	Group E(m) [(13) x (14)]	= \$ 1,989,339	\$ 2,829,796
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$ 50,302,564	\$ 41,221,468
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	= 3.95%	6.86%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of February 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 736,715,040	
Eligible Pollution CWIP Excluding AFUDC	398,897,795	
Subtotal		\$ 1,135,612,835
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 153,228	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	153,228	
Cash Working Capital Allowance	1,840,984	
Subtotal		1,994,212
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 10,865,750	
Pollution Control Deferred Income Taxes	136,241,429	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		147,107,179
Environmental Compliance Rate Base		\$ 990,499,868

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,359,102
Monthly Depreciation & Amortization Expense		1,328,205
Monthly Taxes Other Than Income Taxes		135,471
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,636	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		1,636
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,824,414

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 15,893
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(1,977)
Net Beneficial Reuse Operations Expense	\$ 13,916

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2015

(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	Unamortized ITC as of 2/28/2015	Deferred Tax Balance as of 2/28/2015	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 94,427,917	\$ 4,816,333.00	\$ 2,146,468	\$ 91,758,053	\$ -	\$ 21,480,081	\$ 184,921	\$ 11,361
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 780,585.49	\$ 2,725,116	\$ 18,567,117	\$ -	\$ 3,929,352	\$ 32,523	\$ 2,329
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 3,516,537.23	\$ 7,599,893	\$ 315,664,439	\$ -	\$ 54,771,394	\$ 580,030	\$ 39,499
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 639,881.26	\$ -	\$ 8,391,790	\$ -	\$ 627,037	\$ 15,782	\$ 1,053
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ -	\$ -	\$ 11,920,187	\$ 11,920,187	\$ -	\$ -	\$ -	\$ 1,461
Project 33 - Beneficial Reuse	\$ 4,279,420	\$ 202,345.37	\$ (85,597)	\$ 3,991,478	\$ -	\$ 841,216	\$ 7,489	\$ 501
Subtotal	\$ 435,942,678	\$ 9,955,682	\$ 24,306,068	\$ 450,293,063	\$ -	\$ 81,649,080	\$ 820,746	\$ 56,204
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (717,177)	\$ (453,949)	\$ -	\$ (263,228)	\$ -	\$ (102,396)	\$ (1,222)	\$ (33)
Net Total - 2009 Plan:	\$ 435,225,501	\$ 9,501,734	\$ 24,306,068	\$ 450,029,835	\$ -	\$ 81,546,685	\$ 819,524	\$ 56,171
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 1,672,686	\$ -	\$ 63,592,982	\$ 65,265,668	\$ -	\$ -	\$ -	\$ 7,042
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 66,131,356	\$ 66,131,356	\$ -	\$ -	\$ -	\$ 7,293
Project 35 - Ghent Station Air Compliance	\$ 311,363,296	\$ 3,298,698.35	\$ 244,867,390	\$ 552,931,988	\$ -	\$ 56,730,706	\$ 538,724	\$ 66,166
Subtotal	\$ 313,035,982	\$ 3,298,698	\$ 374,591,727	\$ 684,329,011	\$ -	\$ 56,730,706	\$ 538,724	\$ 80,501
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (11,546,443)	\$ (1,934,682)	\$ -	\$ (9,611,761)	\$ -	\$ (2,035,962)	\$ (30,043)	\$ (1,201)
Net Total - 2011 Plan:	\$ 301,489,539	\$ 1,364,016	\$ 374,591,727	\$ 674,717,250	\$ -	\$ 54,694,745	\$ 508,681	\$ 79,300
Net Total - All Plans:	\$ 736,715,040	\$ 10,865,750	\$ 398,897,795	\$ 1,124,747,086	\$ -	\$ 136,241,429	\$ 1,328,205	\$ 135,471

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: February 28, 2015

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂ (Note 1)	NOx Annual	NOx Ozone Season	SO ₂ (Note 2)	NOx Annual	NOx Ozone Season	
Current Year	276,829	12,236	6,786	\$ 153,227.56	\$ -	\$ -	
2016	118,522						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034	77,535						
2035 - 2044	775,350						

Note 1: Includes CAIR allowances of 241,805 for the current year and 77,535 for years 2016 through 2044. Includes CSAPR allowances of 37,606 for the current year and 40,987 for 2016.

Note 2: Total Dollar Value of Vintage Year for SO₂ allowances are associated with CAIR allowances only. EPA allotment of CSAPR allowances have \$0 value when received.

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	281,993	160	5,324	0	0	276,829	Purchase of 160 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ 154,863.73	\$ 0.12	\$ 1,636.29	\$ -	\$ -	\$ 153,227.56	
\$/Allowance	\$ 0.55	\$ -	\$ 0.31	\$ -	\$ -	\$ 0.55	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	281,983	-	5,164	-	-	276,819	
Dollars	\$ 154,863.73	\$ -	\$ 1,636.17	\$ -	\$ -	\$ 153,227.56	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	160	160	-	-	-	Purchase of 160 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ 0.12	\$ 0.12	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year
For the Expense Month of February 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	244,387	80	2,662	0	0	241,805	Purchase of 80 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ 154,863.73	\$ 0.12	\$ 1,636.29	\$ -	\$ -	\$ 153,227.56	
\$/Allowance	\$ 0.63	\$ -	\$ 0.61	\$ -	\$ -	\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	244,387	-	2,582	-	-	241,805	
Dollars	\$ 154,863.73	\$ -	\$ 1,636.17	\$ -	\$ -	\$ 153,227.56	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	80	80				Purchase of 80 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ 0.12	\$ 0.12				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of February 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	37,606	80	2,662	0	0	35,024	Purchase of 80 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	37,596	-	2,582	-	-	35,014	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -				\$ -	
From LG&E							
Quantity	0	80	80				Purchase of 80 allowances is related to KU 81% share in Trimble County - Unit 2.
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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of February 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,786	0	0	0	0	6,786	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,653	-	-	-	0	6,653	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	-	-	-	-	133	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of February 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	13,460	50	1,215	59	0	12,236	Purchase of 50 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	13,281	-	1,165	-	-	12,116	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	179	-	0	59	0	120	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	50	50	0	0	0	Purchase of 50 allowances is related to KU 81% share in Trimble County - Unit 2.
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2015

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,259,361
10th Previous Month	980,064
9th Previous Month	1,103,095
8th Previous Month	1,017,983
7th Previous Month	1,204,288
6th Previous Month	1,061,545
5th Previous Month	1,361,355
4th Previous Month	1,164,043
3rd Previous Month	1,096,349
2nd Previous Month	1,391,642
Previous Month	1,715,130
Current Month	1,373,018
Total 12 Month O&M	\$ 14,727,874

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,727,874
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,840,984

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: February 28, 2015

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	49,438			49,438
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	59,253			59,253
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		287,304	-	287,304
512107 - ECR Landfill Maintenance		41,393	-	41,393
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	108,691	328,697	-	437,388
2011 Plan				
506159 - ECR Sorbent Injection Operation	22,794	52,610		75,404
506152 - ECR Sorbent Reactant - Reagent Only	29,734	716,988		746,721
512152 - ECR Sorbent Injection Maintenance	14,660	18,891		33,551
506156 - ECR Baghouse Operations	-	-		-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	66,038		66,038
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	67,187	854,527		921,714
Current Month O&M Expense for All Plans	175,878	1,183,224	-	1,359,102

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

ES FORM 2.51

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2015

	Ghent	Trimble County
On-Site CCP Disposal O&M Expense		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,410,668.63	\$ -
(2) Monthly Amount [(1) / 12]	\$ 284,222.39	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 328,697.43	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 612,919.82	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 422,790.10	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 94,092.67	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: February 28, 2015

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	9,786
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	6,107
Total Monthly Beneficial Reuse Expense			15,893
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,977)
Net Beneficial Reuse O&M Expense			13,916

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2015

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (23,726)	\$ (23,726)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,977)	\$ (1,977)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 15,893	\$ 15,893
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 13,916	\$ 13,916
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)]	\$ -	\$ -	\$ 13,916	\$ 13,916
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,977)	\$ (1,977)
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)	\$ -	\$ -	\$ (1,977)	\$ (1,977)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: February 28, 2015

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)	Total Excluding Environmental Surcharge (7)-(6)
Mar-14	\$ 39,214,568	\$ 19,693,998	\$ 2,102,546	\$ 2,311,234	\$ 1,054,776	\$ 64,377,123	\$ 63,322,346
Apr-14	27,711,713	12,799,110	958,034	1,690,308	526,790	43,685,955	43,159,165
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	38,340,681	37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	46,926,523	45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	45,572,521	44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	49,278,230	47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	37,361,293	36,094,262
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	41,797,186	40,234,333
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	59,322,709	56,834,172
Jan-15	42,551,042	21,716,240	158,628	3,003,501	3,133,635	70,563,046	67,429,411
Feb-15	43,803,219	22,468,274	924,395	3,212,147	2,766,524	73,174,558	70,408,034
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,302,564
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,863,821
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.28%

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-14	\$ 40,515,878	\$ 29,724,350	\$ 2,710,093	\$ 591,054	\$ 1,398,455	\$ 74,939,829	\$ 73,541,375	\$ 41,106,932
Apr-14	38,058,675	27,837,727	2,132,081	726,510	843,969	69,598,962	68,754,993	38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	73,473,808	71,994,309	40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	80,845,840	78,665,677	43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	72,662,443	70,310,106	41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	80,357,295	77,941,568	45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	74,898,003	72,368,177	41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	56,344,656	54,112,062	33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	74,161,436	70,979,847	42,381,127
Jan-15	42,165,733	31,691,471	(369,974)	906,317	3,454,924	77,848,471	74,393,548	43,072,050
Feb-15	37,041,170	25,566,194	941,393	893,701	2,620,604	67,063,062	64,442,458	37,934,871
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,561,257	\$ 41,221,468
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,863,821	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.72%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2015

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 128,878,856	\$ 128,878,856
(2) Fuel Adjustment Clause	\$ 1,865,788	\$ 1,865,788
(3) DSM	\$ 4,105,848	\$ 4,105,848
(4) Environmental Surcharge		\$ 5,387,128
(5) CSR Credits		\$ (57,914)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 134,850,492	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 1,120	\$ 1,120
(8) Virginia Retail	\$ 8,513,679	\$ 8,513,679
(9) Wholesale	\$ 10,859,660	\$ 10,859,660
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,981,871	\$ 1,981,871
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 21,356,330	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 156,206,822	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.33%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 7,427,000
(16) Provision for Refund		\$ -
(17) Miscellaneous		\$ 120,773
(18) Total Company Revenues per Income Statement =		\$ 169,083,809

RECEIVED
Conroy

APR 20 2015

PUBLIC SERVICE
COMMISSION

Kentucky Utilities 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



a PPL company

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

April 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of March 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the May 2015 billing cycle which begins April 30, 2015.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in KU's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in March 2015.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

INVOICE FOR PROFESSIONAL FEES AND SERVICES
FOR : VANTAGE ENERGY CONSULTING, LLO
 FED TAX ID # 27-2685037

INVOICE DATE: 2/4/2015
 INVOICE #: 201501066
 INVOICE PERIOD: 1/1/2015 - 1/31/2015
 PROJECT NAME: Kentucky LGE Environmental Compliance
 ITAGE PROJECT #: 2011-58

FIRM INVOICED: Daryl L. Newby
 Kentucky Public Service Commission
 P.O. Box 615
 211 Sower Boulevard
 Frankfort, Kentucky 40602

PROJECT DESCRIPTION:
 KU/LGE Construction Oversight
 Reviewed quarterly report as well as three EPC reports. Visited two plants

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski	1/1/2015 - 1/31/2015	25	\$260	\$6,500.00	\$1,484.74	\$7,984.74	
Chuck Buechel	1/1/2015 - 1/31/2015	24	\$240	\$5,760.00	\$368.64	\$6,128.64	
Mike Bolsmanu	1/1/2015 - 1/31/2015	31	\$240	\$7,440.00	\$926.09	\$8,366.09	
SUB TOTALS		80		\$19,700.00	\$2,766.47	\$22,466.47	
TOTAL FEES							\$19,700.00
TOTAL PERSONAL EXPENSES							\$2,766.47
OVERNIGHT MAIL							\$0.00
COPYING - Black/White							\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							\$0.00
Invoice Amount							\$22,456.47
TOTAL MONTHLY INVOICE AMOUNT							\$22,456.47

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.
 PO Box 420395
 Summerland Key, FL 33042
 Attn: Walter P. Drabinski
 305-394-0704

Daryl Newby
 2/12/15

47% LGE
 53% KU

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of March 2015**

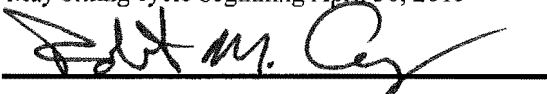
GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15	=	\$	1,855,358
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		3.67%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	2,645,754
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		6.37%

Effective Date for Billing: May billing cycle beginning April 30, 2015

Submitted by: 

Title: Director, Rates

Date Submitted: April 20, 2015

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of March 2015

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,011,330,612
(2)	RB / 12	= \$	84,277,551
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4)	OE	= \$	2,762,396
(5)	BAS	= \$	137
(6)	BR	= \$	9,701
(7)	E(m)	= \$	11,385,126
			$(2) \times (3) + (4) - (5) + (6)$

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	84.87%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	9,662,556
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	5,161,444
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	4,501,112

Calculation of Group Environmental Surcharge Billing Factors

		GROUP 1 (Total Revenue)		GROUP 2 (Net Revenue)	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.22%		58.78%
(15)	Group E(m) [(13) x (14)]	= \$	1,855,358	\$	2,645,754
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,492,930	\$	41,552,687
(17)	Group Environmental Surcharge Billing Factors [(15) + (16)]	=	3.67%		6.37%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of March 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 758,340,198	
Eligible Pollution CWIP Excluding AFUDC	400,596,451	
Subtotal		\$ 1,158,936,649
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 151,346	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	151,346	
Cash Working Capital Allowance	1,842,625	
Subtotal		1,993,971
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 12,229,728	
Pollution Control Deferred Income Taxes	137,370,280	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		149,600,008
Environmental Compliance Rate Base		\$ 1,011,330,612

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,262,783
Monthly Depreciation & Amortization Expense		1,350,362
Monthly Taxes Other Than Income Taxes		135,467
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,882	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		1,882
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		11,902
Total Pollution Control Operations Expense		\$ 2,762,396

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan	
Total Monthly Beneficial Reuse Expense	\$	11,732
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(2,030)
Net Beneficial Reuse Operations Expense	\$	9,701

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 137	\$ -	\$ 137
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 137	\$ -	\$ 137

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2015

(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	Unamortized ITC as of 3/31/2015	Deferred Tax Balance as of 3/31/2015	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 95,225,403	\$ 5,002,035.21	\$ 1,927,402	\$ 92,150,770	\$ -	\$ 21,652,581	\$ 185,702	\$ 11,361
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 16,622,587	\$ 813,108.60	\$ 2,725,116	\$ 18,534,594	\$ -	\$ 3,959,620	\$ 32,523	\$ 2,329
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 4,096,567.54	\$ 8,108,907	\$ 315,593,422	\$ -	\$ 55,038,335	\$ 580,030	\$ 39,499
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 655,663.23	\$ -	\$ 8,376,008	\$ -	\$ 637,589	\$ 15,782	\$ 1,053
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ 3,760,136	\$ 3,273.92	\$ 8,264,788	\$ 12,021,651	\$ -	\$ 66,400	\$ 3,274	\$ 1,461
Project 33 - Beneficial Reuse	\$ 4,193,823	\$ 209,648.75	\$ -	\$ 3,984,174	\$ -	\$ 843,029	\$ 7,303	\$ 501
Subtotal	\$ 440,414,702	\$ 10,780,297	\$ 21,026,214	\$ 450,660,619	\$ -	\$ 82,197,554	\$ 824,615	\$ 56,204
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (765,118)	\$ (472,963)	\$ -	\$ (292,155)	\$ -	\$ (118,477)	\$ (1,258)	\$ (37)
Net Total - 2009 Plan:	\$ 439,649,584	\$ 10,307,335	\$ 21,026,214	\$ 450,368,463	\$ -	\$ 82,079,077	\$ 823,356	\$ 56,167
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 1,672,686	\$ -	\$ 68,446,646	\$ 70,119,333	\$ -	\$ -	\$ -	\$ 7,042
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 69,222,310	\$ 69,222,310	\$ -	\$ -	\$ -	\$ 7,293
Project 35 - Ghent Station Air Compliance	\$ 328,564,371	\$ 3,857,075.37	\$ 241,901,281	\$ 566,608,577	\$ -	\$ 57,327,164	\$ 558,377	\$ 66,166
Subtotal	\$ 330,237,057	\$ 3,857,075	\$ 379,570,237	\$ 705,950,219	\$ -	\$ 57,327,164	\$ 558,377	\$ 80,501
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (11,546,443)	\$ (1,934,682)	\$ -	\$ (9,611,761)	\$ -	\$ (2,035,962)	\$ (51,371)	\$ (1,201)
Net Total - 2011 Plan:	\$ 318,690,614	\$ 1,922,393	\$ 379,570,237	\$ 696,338,458	\$ -	\$ 55,291,203	\$ 527,006	\$ 79,300
Net Total - All Plans:	\$ 758,340,198	\$ 12,229,728	\$ 400,596,451	\$ 1,146,706,921	\$ -	\$ 137,370,280	\$ 1,350,362	\$ 135,467

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: March 31, 2015

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂ (Note 1)	NOx Annual	NOx Ozone Season	SO ₂ (Note 2)	NOx Annual	NOx Ozone Season	
Current Year	270,889	11,272	6,786	\$ 151,345.53	\$ -	\$ -	
2016	118,522						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034	77,535						
2035 - 2044	775,350						

Note 1: Includes CAIR allowances of 241,805 for the current year and 77,535 for years 2016 through 2044. Includes CSAPR allowances of 37,606 for the current year and 40,987 for 2016.

Note 2: Total Dollar Value of Vintage Year for SO₂ allowances are associated with CAIR allowances only. EPA allotment of CSAPR allowances have \$0 value when received.

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of March 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	276,829	156	6,096	0	0	270,889	
Dollars	\$ 153,227.56	\$ 0.12	\$ 1,882.15	\$ -	\$ -	\$ 151,345.53	
\$/Allowance	\$ 0.55	\$ -	\$ 0.31	\$ -	\$ -	\$ 0.56	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	276,819	-	5,940	-	-	270,879	
Dollars	\$ 153,227.56	\$ -	\$ 1,882.03	\$ -	\$ -	\$ 151,345.53	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	156	156	-	-	-	
Dollars	\$ -	\$ 0.12	\$ 0.12	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year
For the Expense Month of March 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	241,805	78	3,048	0	0	238,835	Purchase of 78 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ 153,227.56	\$ 0.12	\$ 1,882.15	\$ -	\$ -	\$ 151,345.53	
\$/Allowance	\$ 0.63	\$ -	\$ 0.62	\$ -	\$ -	\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	241,805	-	2,970	-	-	238,835	
Dollars	\$ 153,227.56	\$ -	\$ 1,882.03	\$ -	\$ -	\$ 151,345.53	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	78	78				Purchase of 78 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ 0.12	\$ 0.12				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of March 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	35,024	78	3,048	0	0	32,054	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	35,014	-	2,970	-	-	32,044	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	78	78				
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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of March 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,786	0	0	0	0	6,786	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,653	-	-	-	0	6,653	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	-	-	-	-	133	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of March 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	12,236	44	977	31	0	11,272	Purchase of 44 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	12,116	-	933	-	-	11,183	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	120	-	0	31	0	89	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	44	44	0	0	0	Purchase of 44 allowances is related to KU 81% share in Trimble County - Unit 2.
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2015

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 980,064
10th Previous Month	1,103,095
9th Previous Month	1,017,983
8th Previous Month	1,204,288
7th Previous Month	1,061,545
6th Previous Month	1,361,355
5th Previous Month	1,164,043
4th Previous Month	1,096,349
3rd Previous Month	1,391,642
2nd Previous Month	1,715,130
Previous Month	1,373,018
Current Month	1,272,485
Total 12 Month O&M	\$ 14,740,998

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 14,740,998
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,842,625

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: March 31, 2015

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	35,942			35,942
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	40,152			40,152
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		320,387	-	320,387
512107 - ECR Landfill Maintenance		42,252	-	42,252
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	76,094	362,639	-	438,732
2011 Plan				
506159 - ECR Sorbent Injection Operation	30,661	56,261		86,922
506152 - ECR Sorbent Reactant - Reagent Only	22,353	643,108		665,460
512152 - ECR Sorbent Injection Maintenance	114	26,907		27,021
506156 - ECR Baghouse Operations	-	-		-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	44,648		44,648
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	53,128	770,923		824,051
Current Month O&M Expense for All Plans				
	129,222	1,133,562	-	1,262,783

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2015

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 3,222,697.98	\$ -
(2) Monthly Amount [(1) / 12]	\$ 268,558.17	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 362,638.92	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 631,197.09	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 441,067.37	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 78,428.45	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: March 31, 2015

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	6,663
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	5,069
Total Monthly Beneficial Reuse Expense			11,732
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,030)
Net Beneficial Reuse O&M Expense			9,701

ES FORM 2.61

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2015

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (24,362)	\$ (24,362)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,030)	\$ (2,030)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 11,732	\$ 11,732
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 9,701	\$ 9,701
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)]	\$ -	\$ -	\$ 9,701	\$ 9,701
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,030)	\$ (2,030)
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)	\$ -	\$ -	\$ (2,030)	\$ (2,030)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: March 31, 2015

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)	Total Excluding Environmental Surcharge (7)-(6)	
Apr-14	\$ 27,711,713	\$ 12,799,110	\$ 958,034	\$ 1,690,308	\$ 526,790	\$ 43,685,955	\$ 43,159,165	
May-14	24,143,447	10,658,319	1,323,753	1,401,321	813,841	38,340,681	37,526,840	
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	46,926,523	45,570,728	
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001	
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	45,572,521	44,154,146	
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	49,278,230	47,818,334	
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	37,361,293	36,094,262	
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	41,797,186	40,234,333	
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	59,322,709	56,834,172	
Jan-15	42,551,042	21,716,240	158,628	3,003,501	3,133,635	70,563,046	67,429,411	
Feb-15	43,803,219	22,468,274	924,395	3,212,147	2,766,524	73,174,558	70,408,034	
Mar-15	41,636,193	21,092,175	(134,538)	3,012,907	2,610,455	68,217,191	65,606,736	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,492,930	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,481,834	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.22%	

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)
Apr-14	\$ 38,058,675	\$ 27,837,727	\$ 2,132,081	\$ 726,510	\$ 843,969	\$ 69,598,962	\$ 68,754,993	\$ 38,785,185
May-14	39,780,246	28,123,944	3,313,732	776,387	1,479,499	73,473,808	71,994,309	40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	80,845,840	78,665,677	43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	72,662,443	70,310,106	41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	80,357,295	77,941,568	45,229,740
Oct-14	40,833,392	30,787,390	(84,736)	831,931	2,529,826	74,898,003	72,368,177	41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	56,344,656	54,112,062	33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	74,161,436	70,979,847	42,381,127
Jan-15	42,165,733	31,691,471	(369,974)	906,317	3,454,924	77,848,471	74,393,548	43,072,050
Feb-15	37,041,170	25,566,194	941,393	893,701	2,620,604	67,063,062	64,442,458	37,934,871
Mar-15	44,171,838	33,463,058	128,528	909,715	3,113,349	81,786,488	78,673,139	45,081,553
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,988,904	\$ 41,552,687
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 122,481,834	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.78%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2015

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 140,363,264	\$ 140,363,264
(2) Fuel Adjustment Clause	\$ (6,011)	\$ (6,011)
(3) DSM	\$ 3,922,622	\$ 3,922,622
(4) Environmental Surcharge		\$ 5,723,804
(5) CSR Credits		\$ (2,109,846)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 144,279,876	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 736	\$ 736
(8) Virginia Retail	\$ 9,382,225	\$ 9,382,225
(9) Wholesale	\$ 15,683,403	\$ 15,683,403
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 649,382	\$ 649,382
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 25,715,746	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 169,995,621	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	84.87%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (26,087,000)
(16) Provision for Refund		\$ (1,395,504)
(17) Miscellaneous		\$ 2,514,355
(18) Total Company Revenues per Income Statement =		\$ 148,641,430

RECEIVED
MAY 16 2015

Conroy

MAY 22 2015

PUBLIC SERVICE
COMMISSION



a PPL company

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

Kentucky Utilities 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

May 22, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of April 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June 2015 billing cycle which begins June 1, 2015.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R. M. Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of April 2015**

GROUP 1 (Total Revenue)

Group 1 E(m) -- ES Form 1.10, line 15 = \$ 2,710,437

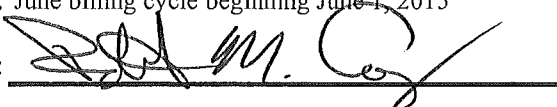
Group 1 ES Billing Factor -- ES Form 1.10, line 17 = 5.40%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15 = \$ 3,876,286

Group 2 ES Billing Factor -- ES Form 1.10, line 17 = 9.34%

Effective Date for Billing: June billing cycle beginning June 1, 2015

Submitted by: 

Title: Director, Rates

Date Submitted: May 22, 2015

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of April 2015

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

		Environmental Compliance Plans	
(1)	RB	= \$	1,028,733,727
(2)	RB / 12	= \$	85,727,811
(3)	$(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4)	OE	= \$	2,896,373
(5)	BAS	= \$	-
(6)	BR	= \$	3,219
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ align="right">11,660,974

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	88.58%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	10,329,291
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11)	Prior Period Adjustment (if necessary)	= \$	-
(12)	Revenue Collected through Base Rates	= \$	3,742,568
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	6,586,723

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>		<u>GROUP 2 (Net Revenue)</u>	
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.15%		58.85%
(15)	Group E(m) [(13) x (14)]	= \$	2,710,437	\$	3,876,286
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	50,196,168	\$	41,517,046
(17)	Group Environmental Surcharge Billing Factors [(15) + (16)]	=	5.40%		9.34%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 763,356,720	
Eligible Pollution CWIP Excluding AFUDC	415,522,607	
Subtotal		\$ 1,178,879,327
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 149,362	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	149,362	
Cash Working Capital Allowance	1,893,613	
Subtotal		2,042,975
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 13,603,899	
Pollution Control Deferred Income Taxes	138,584,676	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		152,188,575
Environmental Compliance Rate Base		\$ 1,028,733,727

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,384,751
Monthly Depreciation & Amortization Expense		1,374,172
Monthly Taxes Other Than Income Taxes		135,467
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,983	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		1,983
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 2,896,373

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan	
Total Monthly Beneficial Reuse Expense	\$	5,213
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(1,995)
Net Beneficial Reuse Operations Expense	\$	3,219

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2015

(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	Unamortized ITC as of 4/30/2015	Deferred Tax Balance as of 4/30/2015	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 97,516,809	\$ 5,190,761.96	\$ -	\$ 92,326,047	\$ -	\$ 21,836,717	\$ 188,727	\$ 11,361
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 19,347,703	\$ 848,300.14	\$ -	\$ 18,499,402	\$ -	\$ 4,047,715	\$ 35,192	\$ 2,329
Project 30 - Ghent CCP Storage (Landfill- Phase I)	\$ 311,581,083	\$ 4,676,597.85	\$ 8,926,150	\$ 315,830,634	\$ -	\$ 55,305,276	\$ 580,030	\$ 39,499
Project 31 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,031,671	\$ 671,445.21	\$ -	\$ 8,360,226	\$ -	\$ 648,142	\$ 15,782	\$ 1,053
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ 3,760,136	\$ 9,821.77	\$ 8,427,567	\$ 12,177,881	\$ -	\$ 132,800	\$ 6,548	\$ 1,461
Project 33 - Beneficial Reuse	\$ 4,193,823	\$ 216,766.53	\$ -	\$ 3,977,056	\$ -	\$ 844,842	\$ 7,118	\$ 501
Subtotal	\$ 445,431,224	\$ 11,613,693	\$ 17,353,717	\$ 451,171,247	\$ -	\$ 82,815,492	\$ 833,396	\$ 56,204
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (765,118)	\$ (474,257)	\$ -	\$ (290,861)	\$ -	\$ (118,477)	\$ (1,295)	\$ (37)
Net Total - 2009 Plan:	\$ 444,666,106	\$ 11,139,436	\$ 17,353,717	\$ 450,880,387	\$ -	\$ 82,697,015	\$ 832,101	\$ 56,167
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 1,672,686	\$ -	\$ 72,262,220	\$ 73,934,906	\$ -	\$ -	\$ -	\$ 7,042
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 72,558,568	\$ 72,558,568	\$ -	\$ -	\$ -	\$ 7,293
Project 35 - Ghent Station Air Compliance	\$ 328,564,371	\$ 4,430,516.65	\$ 253,348,102	\$ 577,481,956	\$ -	\$ 57,923,623	\$ 573,441	\$ 66,166
Subtotal	\$ 330,237,057	\$ 4,430,517	\$ 398,168,890	\$ 723,975,431	\$ -	\$ 57,923,623	\$ 573,441	\$ 80,501
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (11,546,443)	\$ (1,966,054)	\$ -	\$ (9,580,390)	\$ -	\$ (2,035,962)	\$ (31,371)	\$ (1,201)
Net Total - 2011 Plan:	\$ 318,690,614	\$ 2,464,463	\$ 398,168,890	\$ 714,395,041	\$ -	\$ 55,887,661	\$ 542,070	\$ 79,300
Net Total - All Plans:	\$ 763,356,720	\$ 13,603,899	\$ 415,522,607	\$ 1,165,275,427	\$ -	\$ 138,584,676	\$ 1,374,172	\$ 135,467

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

Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: April 30, 2015

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂ (Note 1)	NOx Annual	NOx Ozone Season	SO ₂ (Note 2)	NOx Annual	NOx Ozone Season	
Current Year	264,629	10,329	6,786	\$ 149,362.11	\$ -	\$ -	
2016	118,522						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034	77,535						
2035 - 2044	775,350						

Note 1: Includes CAIR allowances of 241,805 for the current year and 77,535 for years 2016 through 2044. Includes CSAPR allowances of 37,606 for the current year and 40,987 for 2016.

Note 2: Total Dollar Value of Vintage Year for SO₂ allowances are associated with CAIR allowances only. EPA allotment of CSAPR allowances have \$0 value when received.

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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	270,889	42	6,302	0	0	264,629	
Dollars	\$ 151,345.53	\$ 0.03	\$ 1,983.45	\$ -	\$ -	\$ 149,362.11	
\$/Allowance	\$ 0.56	\$ -	\$ 0.31	\$ -	\$ -	\$ 0.56	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	270,879	-	6,260	-	-	264,619	
Dollars	\$ 151,345.53	\$ -	\$ 1,983.42	\$ -	\$ -	\$ 149,362.11	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	42	42	-	-	-	
Dollars	\$ -	\$ 0.03	\$ 0.03	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	238,835	21	3,151	0	0	235,705	Purchase of 21 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ 151,345.53	\$ 0.03	\$ 1,983.45	\$ -	\$ -	\$ 149,362.11	
\$/Allowance	\$ 0.63	\$ -	\$ 0.63	\$ -	\$ -	\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	238,835	-	3,130	-	-	235,705	
Dollars	\$ 151,345.53	\$ -	\$ 1,983.42	\$ -	\$ -	\$ 149,362.11	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	21	21				Purchase of 21 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ 0.03	\$ 0.03				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of April 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	32,054	21	3,151	0	0	28,924	Purchase of 21 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	32,044	-	3,130	-	-	28,914	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	21	21				Purchase of 21 allowances is related to KU 81% share in Trimble County - Unit 2.
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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of April 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,786	0	0	0	0	6,786	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,653	-	-	-	0	6,653	
Dollars	\$ -	-	-	-	-	-	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	-	-	-	-	133	
Dollars	\$ -	-	-	-	-	-	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
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.

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation
For the Expense Month of April 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	11,272	12	907	48	0	10,329	Purchase of 12 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	11,183	-	895	-	-	10,288	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	89	-	0	48	0	41	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	12	12	0	0	0	Purchase of 12 allowances is related to KU 81% share in Trimble County - Unit 2.
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2015

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,103,095
10th Previous Month	1,017,983
9th Previous Month	1,204,288
8th Previous Month	1,061,545
7th Previous Month	1,361,355
6th Previous Month	1,164,043
5th Previous Month	1,096,349
4th Previous Month	1,391,642
3rd Previous Month	1,715,130
2nd Previous Month	1,373,018
Previous Month	1,272,485
Current Month	1,387,970
Total 12 Month O&M	\$ 15,148,904

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,148,904
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,893,613

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: April 30, 2015

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	11,537			11,537
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	39,019			39,019
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		325,957	-	325,957
512107 - ECR Landfill Maintenance		44,884	-	44,884
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	50,556	370,840	-	421,396
2011 Plan				
506159 - ECR Sorbent Injection Operation	8,991	61,698		70,689
506152 - ECR Sorbent Reactant - Reagent Only	13,971	617,303		631,275
512152 - ECR Sorbent Injection Maintenance	1,111	28,404		29,515
506156 - ECR Baghouse Operations	-	-		-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	231,877		231,877
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	24,074	939,282		963,355
Current Month O&M Expense for All Plans	74,629	1,310,122	-	1,384,751

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

KENTUCKY UTILITIES COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2015

	Ghent	Trimble County
On-Site CCP Disposal O&M Expense		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 2,781,240.65	\$ -
(2) Monthly Amount [(1) / 12]	\$ 231,770.05	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 370,840.42	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 602,610.47	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 412,480.76	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 41,640.34	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: April 30, 2015

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	2,263
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	2,950
Total Monthly Beneficial Reuse Expense			5,213
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(1,995)
Net Beneficial Reuse O&M Expense			3,219

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse Opportunities
For the Month Ended: April 30, 2015

	E. W. Brown	Ghent	Trimble County	Total
On-Site CCP Disposal O&M Expense				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (23,936)	\$ (23,936)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (1,995)	\$ (1,995)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 5,213	\$ 5,213
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 3,219	\$ 3,219
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)]	\$ -	\$ -	\$ 3,219	\$ 3,219
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (1,995)	\$ (1,995)
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)	\$ -	\$ -	\$ (1,995)	\$ (1,995)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: April 30, 2015

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)	Total Excluding Environmental Surcharge (7)-(6)
May-14	\$ 24,143,447	\$ 10,658,319	\$ 1,323,753	\$ 1,401,321	\$ 813,841	\$ 38,340,681	\$ 37,526,840
Jun-14	28,384,528	13,165,764	2,275,459	1,744,977	1,355,795	46,926,523	45,570,728
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	45,572,521	44,154,146
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	49,278,230	47,818,334
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	37,361,293	36,094,262
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	41,797,186	40,234,333
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	59,322,709	56,834,172
Jan-15	42,551,042	21,716,240	158,628	3,003,501	3,133,635	70,563,046	67,429,411
Feb-15	43,803,219	22,468,274	924,395	3,212,147	2,766,524	73,174,558	70,408,034
Mar-15	41,636,193	21,092,175	(134,538)	3,012,907	2,610,455	68,217,191	65,606,736
Apr-15	26,195,504	11,883,062	27,672	1,491,784	1,564,356	41,162,378	39,598,022
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 50,196,168
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,980,603
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.15%

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)
May-14	\$ 39,780,246	\$ 28,123,944	\$ 3,313,732	\$ 776,387	\$ 1,479,499	\$ 73,473,808	\$ 71,994,309	\$ 40,556,633
Jun-14	42,271,108	30,457,795	5,050,616	886,159	2,180,162	80,845,840	78,665,677	43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	72,662,443	70,310,106	41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	80,357,295	77,941,568	45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	74,898,003	72,368,177	41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	56,344,656	54,112,062	33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	74,161,436	70,979,847	42,381,127
Jan-15	42,165,733	31,691,471	(369,974)	906,317	3,454,924	77,848,471	74,393,548	43,072,050
Feb-15	37,041,170	25,566,194	941,393	893,701	2,620,604	67,063,062	64,442,458	37,934,871
Mar-15	44,171,838	33,463,058	128,528	909,715	3,113,349	81,786,488	78,673,139	45,081,553
Apr-15	37,852,327	27,910,488	33,377	505,171	2,642,049	68,943,412	66,301,363	38,357,498
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,784,435	\$ 41,517,046
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,980,603	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.85%	

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2015

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 103,841,382	\$ 103,841,382
(2) Fuel Adjustment Clause	\$ 61,049	\$ 61,049
(3) DSM	\$ 1,996,955	\$ 1,996,955
(4) Environmental Surcharge		\$ 4,206,404
(5) CSR Credits		\$ (1,105,641)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 105,899,386	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 479	\$ 479
(8) Virginia Retail	\$ 5,752,726	\$ 5,752,726
(9) Wholesale	\$ 7,815,222	\$ 7,815,222
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 87,584	\$ 87,584
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,656,012	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 119,555,397	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	88.58%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ (7,370,000)
(16) Provision for Refund		\$ (2,244,552)
(17) Miscellaneous		\$ 5,452,521
(18) Total Company Revenues per Income Statement =		\$ 118,494,130

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RECEIVED
Conroy

JUN 19 2015

**PUBLIC SERVICE
COMMISSION**



a PPL company

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

Kentucky Utilities 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

June 19, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Kentucky Utilities Company ("KU") files the original and three copies of its Environmental Surcharge Report for the month of May 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00436, KU has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July 2015 billing cycle which begins June 30, 2015.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'R M Conroy', written over a horizontal line.

Robert M. Conroy

Enclosures

ES FORM 1.00

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

**Net Jurisdictional E(m) and
Jurisdictional Environmental Surcharge Billing Factor
For the Expense Month of May 2015**

GROUP 1 (Total Revenue)

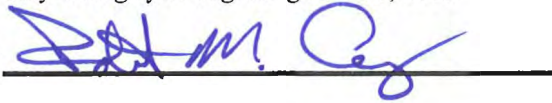
Group 1 E(m) -- ES Form 1.10, line 15	=	\$	2,825,895
Group 1 ES Billing Factor -- ES Form 1.10, line 17	=		5.66%

GROUP 2 (Net Revenue)

Group 2 E(m) -- ES Form 1.10, line 15	=	\$	4,033,073
Group 2 ES Billing Factor -- ES Form 1.10, line 17	=		9.75%

Effective Date for Billing: July billing cycle beginning June 30, 2015

Submitted by:



Title: Director, Rates

Date Submitted: June 19, 2015

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

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

For the Expense Month of May 2015

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

		Environmental Compliance Plans
(1) RB	= \$	1,035,180,880
(2) RB / 12	= \$	86,265,073
(3) $(ROR + (ROR - DR) (TR / (1 - TR)))$	=	10.22%
(4) OE	= \$	3,218,475
(5) BAS	= \$	-
(6) BR	= \$	22,569
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	= \$ 12,057,335

Calculation of Adjusted Net Jurisdictional E(m)

(8) Jurisdictional Allocation Ratio for Expense Month -- ES Form 3.10	=	86.10%
(9) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	10,381,365
(10) Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00436	=	
(11) Prior Period Adjustment (if necessary)	= \$	-
(12) Revenue Collected through Base Rates	= \$	3,522,397
(13) Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	= \$	6,858,968

Calculation of Group Environmental Surcharge Billing Factors

		<u>GROUP 1 (Total Revenue)</u>	<u>GROUP 2 (Net Revenue)</u>
(14) Revenue as a Percentage of 12-month Total Revenue ending with the Current Month -- ES Form 3.00	=	41.20%	58.80%
(15) Group E(m) [(13) x (14)]	= \$	2,825,895	\$ 4,033,073
(16) Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month -- ES Form 3.00	= \$	49,917,036	\$ 41,378,935
(17) Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	5.66%	9.75%

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2015

Determination of Environmental Compliance Rate Base

	Environmental Compliance Plan	
Eligible Pollution Control Plant	\$ 901,534,512	
Eligible Pollution CWIP Excluding AFUDC	279,176,559	
Subtotal		\$ 1,180,711,071
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	\$ 147,723	
Less: Allowance Inventory Baseline	-	
Net Emission Allowance Inventory	147,723	
Cash Working Capital Allowance	1,953,022	
Subtotal		2,100,745
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	\$ 6,408,155	
Pollution Control Deferred Income Taxes	141,222,781	
Pollution Control Deferred Investment Tax Credit	-	
Subtotal		147,630,936
Environmental Compliance Rate Base		\$ 1,035,180,880

Determination of Pollution Control Operating Expenses

	Environmental Compliance Plan	
Monthly Operations & Maintenance Expense		\$ 1,555,798
Monthly Depreciation & Amortization Expense		1,526,616
Monthly Taxes Other Than Income Taxes		134,422
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,639	
Add KU Current Month TC2 Emission Allowance Expense reported on ES Form 2.31, 2.32 and 2.33	-	
Less Monthly Emission Allowance Expense in base rates	-	
Net Recoverable Emission Allowance Expense		1,639
Monthly Surcharge Consultant Fee		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense		\$ 3,218,475

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 24,694
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(2,125)
Net Beneficial Reuse Operations Expense	\$ 22,569

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	\$ -	\$ -	\$ -

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2015

(1) Description	(2) Eligible Plant In Service	(3) Eligible Accumulated Depreciation	(4) CWIP Amount Excluding AFUDC	(5) Eligible Net Plant In Service	(6) Unamortized ITC as of 5/31/2015	(7) Deferred Tax Balance as of 5/31/2015	(8) Monthly Depreciation Expense	(9) Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan:								
Project 28 - Brown 3 SCR	\$ 97,516,809	\$ 5,381,732	\$ 230,686	\$ 92,365,762	\$ -	\$ 22,020,857	\$ 190,970	\$ 11,301
Project 29 - ATB Expansion at E.W. Brown Station (Phase II)	\$ 19,347,703	\$ 886,160	\$ -	\$ 18,461,542	\$ -	\$ 4,135,810	\$ 37,860	\$ 2,329
Project 30 - Ghent CCP Storage (Landfill - Phase I)	\$ 311,581,083	\$ 5,256,628	\$ 9,873,546	\$ 316,198,000	\$ -	\$ 55,572,218	\$ 580,030	\$ 39,499
Project 31 - Trimble County Ash Treatment Basin (DAP/GSP)	\$ 9,031,671	\$ 687,227	\$ -	\$ 8,344,444	\$ -	\$ 658,694	\$ 15,782	\$ 1,053
Project 32 - Trimble County CCP Storage (Landfill - Phase I)	\$ 3,760,136	\$ 16,370	\$ 8,486,489	\$ 12,230,255	\$ -	\$ 199,200	\$ 6,548	\$ 1,461
Project 33 - Beneficial Reuse	\$ 4,193,823	\$ 223,884	\$ -	\$ 3,969,939	\$ -	\$ 846,655	\$ 7,118	\$ 501
Subtotal	\$ 445,431,224	\$ 12,452,002	\$ 18,590,720	\$ 451,569,943	\$ -	\$ 83,433,431	\$ 838,308	\$ 56,204
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (765,118)	\$ (472,963)	\$ -	\$ (292,155)	\$ -	\$ (118,477)	\$ (1,295)	\$ (37)
Net Total - 2009 Plan:	\$ 444,666,106	\$ 11,979,039	\$ 18,590,720	\$ 451,277,787	\$ -	\$ 83,314,954	\$ 837,014	\$ 56,167
2011 Plan:								
Project 29 - Brown Landfill (Phase I)	\$ 1,672,686	\$ -	\$ 75,696,679	\$ 77,369,365	\$ -	\$ -	\$ -	\$ 7,042
Project 34 - E.W. Brown Station Air Compliance	\$ -	\$ -	\$ 75,366,885	\$ 75,366,885	\$ -	\$ -	\$ -	\$ 7,293
Project 35 - Ghent Station Air Compliance	\$ 483,873,724	\$ 5,170,049	\$ 109,522,274	\$ 588,225,949	\$ -	\$ 61,753,587	\$ 739,533	\$ 66,166
Subtotal	\$ 485,546,411	\$ 5,170,049	\$ 260,585,838	\$ 740,962,199	\$ -	\$ 61,753,587	\$ 739,533	\$ 80,501
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ (28,678,005)	\$ (10,740,934)	\$ -	\$ (17,937,071)	\$ -	\$ (3,845,760)	\$ (49,930)	\$ (2,246)
Net Total - 2011 Plan:	\$ 456,868,406	\$ (5,570,885)	\$ 260,585,838	\$ 723,025,129	\$ -	\$ 57,907,827	\$ 689,602	\$ 78,255
Net Total - All Plans:	\$ 901,534,512	\$ 6,408,155	\$ 279,176,559	\$ 1,174,302,916	\$ -	\$ 141,222,781	\$ 1,526,616	\$ 134,422

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%
 Note 2: Project 29 as approved in the 2009 ECR Plan recovers costs associated with the Brown Aux Pond (Phase II). In the 2011 Plan, Project 29 was amended to recover costs associated with the conversion of the Brown Main Ash Pond to the Brown Landfill (Phase I)

**KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT**

Inventory of Emission Allowances

For the Month Ended: May 31, 2015

Vintage Year	Number of Allowances			Total Dollar Value Of Vintage Year			Comments and Explanations
	SO ₂ (Note 1)	NOx Annual	NOx Ozone Season	SO ₂ (Note 2)	NOx Annual	NOx Ozone Season	
Current Year	259,457	9,189	5,646	\$ 147,723.40	\$ -	\$ -	
2016	118,522						
2017	77,535						
2018	77,535						
2019	77,535						
2020	77,535						
2021	77,535						
2022	77,535						
2023	77,535						
2024	77,535						
2025	77,535						
2026	77,535						
2027	77,535						
2028	77,535						
2029	77,535						
2030	77,535						
2031	77,535						
2032	77,535						
2033	77,535						
2034	77,535						
2035 - 2044	775,350						

Note 1: Includes CAIR allowances of 233,119 for the current year and 77,535 for years 2016 through 2044.

Note 2: Total Dollar Value of Vintage Year for SO₂ allowances are associated with CAIR allowances only. EPA allotment of CSAPR allowances have \$0 value when received.

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.

ES FORM 2.31

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	264,629	138	5,310	0	0	259,457	
Dollars	\$ 149,362.11	\$ 0.10	\$ 1,638.81	\$ -	\$ -	\$ 147,723.40	
\$/Allowance	\$ 0.56	\$ -	\$ 0.31	\$ -	\$ -	\$ 0.57	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	264,619	-	5,172	-	-	259,447	
Dollars	\$ 149,362.11	\$ -	\$ 1,638.71	\$ -	\$ -	\$ 147,723.40	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	138	138	-	-	-	
Dollars	\$ -	\$ 0.10	\$ 0.10	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	235,705	69	2,655	0	0	233,119	Purchase of 69 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ 149,362.11	\$ 0.10	\$ 1,638.81	\$ -	\$ -	\$ 147,723.40	
\$/Allowance	\$ 0.63	\$ -	\$ 0.62	\$ -	\$ -	\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	235,705	-	2,586	-	-	233,119	
Dollars	\$ 149,362.11	\$ -	\$ 1,638.71	\$ -	\$ -	\$ 147,723.40	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	-	-	-	-	-	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	69	69				Purchase of 69 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ 0.10	\$ 0.10				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		

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

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	28,924	69	2,655	0	0	26,338	Purchase of 69 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	28,914	-	2,586	-	-	26,328	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	10	-	-	-	-	10	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0				0	
Dollars	\$ -	\$ -				\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E							
Quantity	0	69	69				Purchase of 69 allowances is related to KU 81% share in Trimble County - Unit 2.
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

ES FORM 2.32

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation
For the Expense Month of May 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	6,786	40	1,142	38	0	5,646	Purchase of 40 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	6,653	-	1,102	-	0	5,551	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	133	-	-	38	-	95	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	40	40	0	0	0	Purchase of 40 allowances is related to KU 81% share in Trimble County - Unit 2.
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.

ES FORM 2.33

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2015

	Beginning Inventory	Allocations/Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS							
Quantity	10,329	40	1,142	38	0	9,189	Purchase of 40 allowances is related to KU 81% share in Trimble County - Unit 2.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL							
Quantity	10,288	-	1,102	-	-	9,186	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
					\$ -		
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS							
Quantity	41	-	0	38	0	3	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES FROM PURCHASES:							
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From LG&E:							
Quantity	0	40	40	0	0	0	Purchase of 40 allowances is related to KU 81% share in Trimble County - Unit 2.
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.

ES FORM 2.40

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2015

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 1,017,983
10th Previous Month	1,204,288
9th Previous Month	1,061,545
8th Previous Month	1,361,355
7th Previous Month	1,164,043
6th Previous Month	1,096,349
5th Previous Month	1,391,642
4th Previous Month	1,715,130
3rd Previous Month	1,373,018
2nd Previous Month	1,272,485
Previous Month	1,387,970
Current Month	1,578,367
Total 12 Month O&M	\$ 15,624,176

Determination of Working Capital Allowance	
12 Months O&M Expenses	\$ 15,624,176
One Eighth (1/8) of 12 Month O&M Expenses	1/8
Pollution Control Cash Working Capital Allowance	\$ 1,953,022

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses

For the Month Ended: May 31, 2015

O&M Expense Account	E. W. Brown	Ghent	Trimble County	Total
2009 Plan				
506154 - ECR NOx Operation -- Consumables	58,432			58,432
506155 - ECR NOx Operation -- Labor and Other	-			-
512151 - ECR NOx Maintenance	40,598			40,598
506159 - ECR Sorbent Injection Operation				-
506152 - ECR Sorbent Reactant - Reagent Only				-
512152 - ECR Sorbent Injection Maintenance				-
502013 - ECR Landfill Operations		325,285	-	325,285
512107 - ECR Landfill Maintenance		41,269	-	41,269
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-	-
Total 2009 Plan O&M Expenses	99,030	366,554	-	465,584
2011 Plan				
506159 - ECR Sorbent Injection Operation	62,602	55,375		117,977
506152 - ECR Sorbent Reactant - Reagent Only	27,936	629,963		657,899
512152 - ECR Sorbent Injection Maintenance	1,529	29,327		30,855
506156 - ECR Baghouse Operations	-	-		-
512156 - ECR Baghouse Maintenance	-	-		-
506151 - ECR Activated Carbon	-	283,484		283,484
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Total 2011 Plan O&M Expenses	92,067	998,148		1,090,215
Current Month O&M Expense for All Plans	191,097	1,364,702	-	1,555,798

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2015

On-Site CCP Disposal O&M Expense	Ghent	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ 2,705,413.00	\$ -
(2) Monthly Amount [(1) / 12]	\$ 225,451.08	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ 366,553.69	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ 592,004.77	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ 2,281,556.60	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ 190,129.72	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ 401,875.06	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ 35,321.37	\$ -
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.

ES FORM 2.60

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
Beneficial Reuse - Operations & Maintenance Expenses
For the Month Ended: May 31, 2015

Third Party	O&M Expense Account	Plant	Total O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	13,876
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	7,193
Synmat	502011 - ECR Other Waste Disposal	Trimble County	3,625
Total Monthly Beneficial Reuse Expense			24,694
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			(2,125)
Net Beneficial Reuse O&M Expense			22,569

ES FORM 2.61

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2015

On-Site CCP Disposal O&M Expense	E. W. Brown	Ghent	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ (25,496)	\$ (25,496)
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ (2,125)	\$ (2,125)
2009 Plan Project 33				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 24,694	\$ 24,694
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 22,569	\$ 22,569
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)]	\$ -	\$ -	\$ 22,569	\$ 22,569
(8) Less 2009 Plan Project 33 [(7) - (3)]	\$ -	\$ -	\$ (2,125)	\$ (2,125)
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)	\$ -	\$ -	\$ (2,125)	\$ (2,125)

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

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT
 Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2015

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)	Total Excluding Environmental Surcharge (7)-(6)	
Jun-14	\$ 28,384,528	\$ 13,165,764	\$ 2,275,459	\$ 1,744,977	\$ 1,355,795	\$ 46,926,523	\$ 45,570,728	
Jul-14	32,211,624	15,423,365	1,387,448	2,056,563	1,697,994	52,776,994	51,079,001	
Aug-14	29,104,624	13,592,824	(351,084)	1,807,782	1,418,374	45,572,521	44,154,146	
Sep-14	31,066,793	14,775,907	17,144	1,958,490	1,459,896	49,278,230	47,818,334	
Oct-14	24,099,571	10,636,474	(32,780)	1,390,997	1,267,031	37,361,293	36,094,262	
Nov-14	26,738,552	12,297,812	(427,452)	1,625,421	1,562,853	41,797,186	40,234,333	
Dec-14	37,737,882	18,791,035	(2,190,426)	2,495,681	2,488,537	59,322,709	56,834,172	
Jan-15	42,551,042	21,716,240	158,628	3,003,501	3,133,635	70,563,046	67,429,411	
Feb-15	43,803,219	22,468,274	924,395	3,212,147	2,766,524	73,174,558	70,408,034	
Mar-15	41,636,193	21,092,175	(134,538)	3,012,907	2,610,455	68,217,191	65,606,736	
Apr-15	26,195,504	11,883,062	27,672	1,491,784	1,564,356	41,162,378	39,598,022	
May-15	23,134,244	10,056,304	(274,123)	1,260,822	1,256,726	35,433,973	34,177,247	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							\$ 49,917,036	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,146,783	
GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							41.20%	

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-14	\$ 42,271,108	\$ 30,457,795	\$ 5,050,616	\$ 886,159	\$ 2,180,162	\$ 80,845,840	\$ 78,665,677	\$ 43,157,267
Jul-14	44,753,470	32,359,965	3,151,721	965,806	2,628,532	83,859,493	81,230,961	45,719,276
Aug-14	41,021,461	28,958,700	(552,416)	882,361	2,352,336	72,662,443	70,310,106	41,903,823
Sep-14	44,275,686	32,754,253	(42,424)	954,054	2,415,727	80,357,295	77,941,568	45,229,740
Oct-14	40,833,592	30,787,390	(84,736)	831,931	2,529,826	74,898,003	72,368,177	41,665,524
Nov-14	32,442,555	21,690,003	(723,135)	702,638	2,232,594	56,344,656	54,112,062	33,145,193
Dec-14	41,487,531	31,709,842	(3,111,122)	893,595	3,181,589	74,161,436	70,979,847	42,381,127
Jan-15	42,165,733	31,691,471	(369,974)	906,317	3,454,924	77,848,471	74,393,548	43,072,050
Feb-15	37,041,170	25,566,194	941,393	893,701	2,620,604	67,063,062	64,442,458	37,934,871
Mar-15	44,171,838	33,463,058	128,528	909,715	3,113,349	81,786,488	78,673,139	45,081,553
Apr-15	37,852,327	27,910,488	33,377	505,171	2,642,049	68,943,412	66,301,363	38,357,498
May-15	38,432,578	27,073,117	(634,353)	466,725	2,502,086	67,840,153	65,338,068	38,899,304
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 71,229,748	\$ 41,378,935
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 121,146,783	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.80%	

ES FORM 3.10

KENTUCKY UTILITIES COMPANY
ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2015

	Revenues per Form 3.00	Revenues per Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 98,696,243	\$ 98,696,243
(2) Fuel Adjustment Clause	\$ (908,476)	\$ (908,476)
(3) DSM	\$ 1,727,547	\$ 1,727,547
(4) Environmental Surcharge		\$ 3,758,812
(5) CSR Credits		\$ (1,101,588)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 99,515,314	
Non -Jurisdictional Revenues		
(7) Tennessee Retail	\$ 377	\$ 377
(8) Virginia Retail	\$ 4,846,755	\$ 4,846,755
(9) Wholesale	\$ 9,381,936	\$ 9,381,936
(10) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 1,842,482	\$ 1,842,482
(11) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,071,551	
(12) Total Company Revenues for Environmental Surcharge Purposes =	\$ 115,586,865	
Jurisdictional Allocation Ratio for Current Month [(6) / (12)] =	86.10%	
Reconciling Revenues		
(13) Brokered	\$ -	\$ -
(14) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(15) Unbilled		\$ 13,078,000
(16) Provision for Refund		\$ (196,114)
(17) Miscellaneous		\$ 2,274,530
(18) Total Company Revenues per Income Statement =		\$ 133,400,506