

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

RECEIVED

JAN 15 2010

PUBLIC SERVICE COMMISSION

January 15, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2009. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00311, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after January 28, 2010.

Included with this filing is 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. 2009-00311. LG&E 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. 2009-00198.

Additionally, LG&E revised the ES Forms as approved by the Commission in its Orders in the above-cited cases. LG&E'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, LG&E 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.

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,792,828

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

2.86%

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

Submitted by:

Title: Director, Rates

Date Submitted: January 15, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of December 2009

Calculation of Total E(m)

E(m) = [(RB/12)]	(ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	**	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	**	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	22	Beneficial Reuse Operating Expenses

				Environ	nental Compliance Plans
(1)	RB		=	s	241,367,963
(2)	RB / 12		=		20,113,997
(3)	(ROR + (ROR -	DR) (TR / (1 - TR)))	=		11.18%
(4)	OE		=		1,440,857
(5)	BAS		E2		
(6)	BR		쁘		•
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	-	s	3,689,602

Calculation of Jurisdictional Environmental Surcharge Billing Factor

	The second secon			
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		84.48%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Altocation Ratio [(7) x (8)]$	=	\$	3,116,976
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=		545,396
(11)	Prior Period Adjustment (if necessary)	=		-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	==		3,662,372
(13)	Revenue Collected through Base Rates	22	s	1,869,544
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue			
	Collected Through Base Rates [(12) - (13)]	\$	\$	1,792,828
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12			
	Months Ending with the Current Expense Month ES Form 3.00	=	\$	62,728,525
440	to fellow at Project and Southern Billian Poster (AAA) (AAA)			2 9/8/
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		2.86%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2009

Determination of Environmental Compliance Rate Base

	Enviromental	Compliance Plan
Eligible Pollution Control Plant	\$ 248,284,020	
Eligible Pollution CWIP Excluding AFUDC	46,204,120	
Subtotal		\$ 294,488,140
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	697,396	
Deferred Debit Balance Mill Creek Ash Dredging	685,885	
Subtotal		1,383,281
Deductions:		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Accumulated Depreciation on Eligible Pollution Control Plant	39,180,335	
Pollution Control Deferred Income Taxes	15,323,123	
Subtotal		54,503,458
Environmental Compliance Rate Base		\$ 241,367,963

Determination of Pollution Control Operating Expenses

	Enviromental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 440,193
Monthly Depreciation & Amortization Expense	797,883
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,310
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	·-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,440,857

Determination of Beneficial Reuse Operating Expenses

	Environ	
	Complian	ice 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	unt in Rates	P	Net roceeds
		(1)	(2)	(1) - (2)
Allowance Sales	S	-	\$ -	\$	
Scrubber By-Products Sales		-	-		
Total Proceeds from Sales	S	*	\$ •	S	•

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2009

(1)		(2)	1900	(3)	MANEEZ ALI	(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2009	Monthly ITC Amortization Credit	ם	Monthly Depreciation Expense		Monthly Property Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	192,860,844	s	34,657,578	s	-	s	158,203,265	s	13,654,876		s	617,234	s	20,680
Subtotal Less Retirements and Replacement resulting	S	192,860,844		34,657,578			\$	158,203,265		13,654,876		s	617,234		20,680
from implementation of 2001 Plan	s	(5,850,965)	\$	(2,914,284)	S	-	S	(2,936,681)	\$	(1,053,265)		s	(13,202)	2	(341)
Net Total - 2001 Plan:	\$	187,009,879	\$	31,743,294	\$	_	S	155,266,584	\$	12,601,611		S	604,032	\$	20,340
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	s s s	30,861,686 11,929,133 1,197,310 2,734,620	S S	8,713,062 2,544,065 403,054 1,140,291	\$	-	s s s	9,385,068	\$ \$ \$ \$	1,034,811 941,631 28,794 76,946		\$ \$ \$	103,474 47,792 3,702 8,614	\$ \$	2,925 1,242 105 213
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	46,722,749 (7,839,520)		12,800,473 (6,665,432)		-	\$	33,922,276 (1,174,088)	1	2,082,182 (796,041)		S S	163,582 (27,125)		4,485 (387)
Net Total - 2003 Plan:	Š	38,883,229	S	6,135,041	\$		\$	32,748,188	\$	1,286,141	Made and the second	\$	136,457	\$	4,098
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	299,303 220,205 61,385 31,042 - 987,084	\$ \$ \$	1,288,427 427 - - - - 1,288,854	\$ \$ \$ \$ \$ \$	5,596,231 4,510,790 788,715 277,465 - 6,373,994	\$ \$ \$ \$	879,645		\$ \$ \$ \$ \$	7,949 6,850 2,564 1,147 - 22,206	\$ \$ \$ \$	354 498 102 36 - 830
Less Retirements and Replacement resulting from implementation of 2005 Plan	s	(1,191,665)		(548,068)		-	\$	(643,598)			*	\$	(3,438)		(80
Net Total - 2005 Plan:	s	16,665,695	\$	1,050,951	\$	1,288,854	S	16,903,597	S	1,205,695	The state of the s	S	37,278	S	1,742

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2009

(1)	_uu	(2)		(3)		(4)		(5)	(6)	(7)		(8)	Consumer Con-	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 12/31/2009	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	Pr	Monthly roperty Tax Expense
				A CONTRACTOR OF THE PROPERTY O				(2)-(3)+(4)	AND		I			
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	s s s	2,050,346	\$ \$ \$	131,805 69,155 50,087	s	43,527,347 162,358 - -		43,527,347 3,308,274 1,981,191 347,064	\$ 141,282 \$ 27,413		s s s	- 9,888 8,867 1,361	\$	4,431 421 233 45
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s	5,725,218	s	251,048	s s	43,689,705	\$	49,163,875	\$ 229,676 \$ -		s s	20,116	\$	5,131
Net Total - 2006 Plan:	\$	5,725,218	s	251,048	S	43,689,705	\$	49,163,875	\$ 229,676		S	20,116	\$	5,131
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s s s		\$ \$ \$:	\$ \$ \$	262,585 962,976 -	s s s	262,585 962,976 -			\$ \$ \$	-	s s s	
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ \$	-	\$	*	s	1,225,561	\$	1,225,561	\$ -		S	-	\$	-
Net Total - 2009 Plan:	\$	a a manufactura de la compactica de la c	s	-	\$	1,225,561	\$	1,225,561	s -		S	*	s	-
Net Total - All Plans:	J s	248,284,020	\$	39,180,335	S	46,204,120	S	255,307,806	\$ 15,323,123		S	797,883	\$	31,310

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: December 31, 2009

Vintage Year	Nun	nber of Allowan	es	Tot	al Dollar Value	Of Vintage	Year		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NO	Σx		NOx	
		Annual	Ozone Season		Anr	wal	Ozo	ne Season	
Current Year	117,628	357	1,347	\$ 4,022.09	\$	-	\$	148.91	
2010	62,379	14,133	6,212						
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379	•							
2021	62,379			Ï.,					
2022	62,379								
2023	62,379						1		
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029 - 2039	686,169								

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of December 2009

	Begir	ning	Alloc	ations/	Ţ	Jtilized		Utilized					Ending	Allocation, Purchase, or
	Inver		Purc	hases	(C	oal Fuel)	(Other Fuels)			Sold		Inventory	Sale Date & Vintage Years
								and Chinases we will in						
TOTAL EMISSIC	N ALLO	WANCES	IN INV	ENTORY,	ALL	CLASSIFIC	ATIONS	;						
Quantity		120,272		0		2,644			0			0	117,628	
Dollars		4,112.48			\$	90.39			-	\$		- 3		
\$/Allowance	\$	0,03	\$		\$	0.03	\$			\$			\$ 0.03	
4 X X O C 4 TTTT A X	Y (0337 4 37	cre ro	N	COATE	TICY									
ALLOCATED AL Quantity		111,603	WI EFA:	COALF	JEL	2,626				· ·		\neg	108,977	
Dollars		3,816.06	•		\$	89.77	¢			\$		-+-	\$ 3,726.29	
Donais	3	3,010.00	3		9	69,77	-				········ -	-+:	J,720,27	A
														
ALLOCATED AI	LOWAN	CES FRO	M EPA:	OTHER:	FUELS	S								
Quantity		8,669		-		18			-		-		8,651	
Dollars	\$	296.42	\$	-	\$	0.62	\$		_	\$			\$ 295.80	
										l				
ALLOWANCES	ROM PU	JRCHAS:	ES:											
From Market:	<u> </u>									ļ		-		
Quantity						<u> </u>				<u> </u>			-	
Dollars	\$	<u>-</u>	\$		\$	<u> </u>	\$		-	\$			<u>-</u>	
\$/Allowance	\$		<u> </u>	-	\$		<u> </u>			\$	<u> </u>		<u> </u>	<u> </u>
	-									,				
From KU					ļ					ļ		_		
Quantity				-		-			-			_		
Dollars	S	-	\$	-	\$		<u> </u>			\$	-	_	\$ -	
\$/Allowance	S	-	\$	-	\$		\$			\$			\$ -]

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of December 2009

•	Beginnin		Allocations/		ilized		Itilized	Π			Ending	Allocation, Purchase, or
	Inventor	<u> </u>	Purchases	(Coa	ıl Fuel)	(Ot	ner Fuels)	<u></u>	Sold	<u> </u>	Inventory	Sale Date & Vintage Years
		•					,					
TOTAL EMISS	ION ALLOWA	NCES I	IN INVENTORY	, ALL C	LASSIFIC	ATIONS						
Quantity	1	,347	0	L	0		0	l	0		1,347	
Dollars	\$ 14	8.91	\$ -	\$	-	\$		\$	_	\$	148.91	
\$/Allowance	\$	0.11 5	\$ -	\$		\$		\$		\$	0.11	
							·					
ALLOCATED A	ALLOWANCE:	FROM	M EPA: COAL F	TUELL								
Quantity		,265						1	-	1	1,265	
Dollars	S 13	39.84	\$ -	\$	-	\$	-	\$		\$	139.84	
,						Ĺ						
	'											
ALLOCATED A	ALLOWANCE	S FROM	M EPA: OTHER	FUELS								
Quantity		82			-			<u> </u>		<u> </u>	82	
Dollars	\$	9.07	\$ -	\$		\$		\$	_	\$	9.07	
						<u> </u>		1		<u> </u>		
ALLOWANCE:	S FROM PURC	CHASES	S:									
From Market:	.]											
Quantity		0	0		0		0		0		0	
Dollars	\$	- :	\$ -	\$	-	S		\$		\$	-	
\$/Allowance	S	-	\$ -	\$		\$		\$	-	\$	-	
						•						
rom KU:					,			<u> </u>		<u> </u>		
Quantity		0	0		0		0	-	0	+	0	,
Dollars	\$		\$ -	\$	-	\$	-	\$		\$	-	
Dollars	-		\$ -	\$	_	\$		\$	-	18	-	
	\$	-	-	Ψ		 -						
\$/Allowance	1 \$	-	-					1				

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of December 2009

Maria (1997)	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	538	1,000	1,177	4	0	357	
Dollars	\$ -	s -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	s -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	459	40	1,177		-	(678)	
Dollars	\$ -	s -	s -	s -	\$ -	\$	
	LLOWANCES FRO			4		35	
ALLOCATED A Quantity Dollars				4	- - -	35	
Quantity	79	(40)	-				
Quantity Dollars ALLOWANCES	79	(40) S -	-				
Quantity Dollars ALLOWANCES From Market:	FROM PURCHAS	(40) S -	\$ -	\$	\$ -	\$ -	
Quantity Dollars ALLOWANCES From Market: Quantity	FROM PURCHAS	(40) S -	\$ -		0	5 -	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS 0 \$ -	ES:	0 \$ -	0 \$ -	0	0 5 -	
Quantity Dollars ALLOWANCES From Market: Quantity	FROM PURCHAS 0 \$ -	(40) S - ES: 0	0 \$ -	\$	0 \$ -	\$ - 0 \$ -	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS 0 \$ -	ES:	0 \$ -	0 \$ -	0 \$ -	0 5 -	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	FROM PURCHAS 0 \$ -	ES: 0 \$ -	0 5 -	0 \$ -	0 \$ -	0 5 -	Allowances transferred from KU
Quantity Dollars ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS 0 \$ -	ES: 0 S -	0 5 -	0 5 -	0 \$ -	0 5 -	Allowances transferred from KU

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2009

Environmental Compliance Plan					
O&M Expenses		Amount			
11th Previous Month	. \$	397,405			
10th Previous Month		408,369			
9th Previous Month		434,572			
8th Previous Month		431,957			
7th Previous Month		443,322			
6th Previous Month		575,403			
5th Previous Month		425,094			
4th Previous Month		508,389			
3rd Previous Month		601,705			
2nd Previous Month		371,225			
Previous Month		370,063			
Current Month		611,664			
Total 12 Month O&M	\$	5,579,168			

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		5,579,168					
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$		697,396					

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2009

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables	No. 1, No. 1, 1977	200,247.38	33,590.20	233,837.58
506105 - NOx Operation Labor and Other	一 网络沙漠 一 化沙里二	5,472.01	3,320.92	8,792.93
512101 - NOx Maintenance	The street of the street	155,534.55	(9,508.78)	146,025.77
Total 2001 Plan O&M Expenses		361,253.94	27,402.34	388,656.28
2005 Plan				
502006-Scrubber Operations			17,723.27	17,723,27
512005-Scrubber Maintenance	Sugar Similar State Similar Sugar Similar Simi	:	-	_
Ashpond Dredging Expense		171,471.16		171,471.16
Total 2005 Plan O&M Expenses		171,471.16	17,723.27	189,194.43
2006 Pian				
506109 - Sorbent Injection Operation	\$4.00 A N 48	-	33,812.92	33,812.92
512102 - Sorbent Injection Maintenance			-	_
506110 - Mercury Monitors Operation	-			-
512103 - Mercury Monitors Maintenance	-	-	- 1	-
502006 - Scrubber Operations	a series		-	
512005 - Scrubber Maintenance			-	•
506104 - NOx Operation — Consumables			-	
506105 - NOx Operation Labor and Other			-	
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance				-
Total 2006 Plan O&M Expenses			33,812.92	33,812.92
2009 Plan				
502012 - ECR Landfill Operations	-		-	
512105 - ECR Landfill Maintenance	-			- `
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	_		-	-
Net 2009 Plan O&M Expenses			<u> </u>	-
Current Month O&M Expense for All Plans	T\$ -	532.725.10	78.938.53]	611,663,63

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2009

Third Party	O&M Expense Account	Plant	Total O&M			
	-					
1						
Total Monthly Bene	ficial Reuse Expense		\$ -			
			\\$ -			
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Reus	e O&M Expense		- \$			

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: December 31, 2009

	Kentucky Jurisdictional Revenues						Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Rev en ues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	TotaI (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Jan-09	60,901,677	2,194,329	1,568,969	427,174	65,092,148	64,664,974	16,906,124	81,998,272	81,571,0
Feb-09	56,131,237	5,020,001	1,263,027	413,484	62,827,749	62,414,265	13,111,973	75,939,722	75,526,2
Mar-09	48,018,167	4,872,733	1,072,188	395,265	54,358,353	53,963,088	14,156,392	68,514,745	68,119,4
Apr-09	48,311,610	4,594,071	714,725	698,050	54,318,456	53,620,406	11,572,181	65,890,637	65,192,5
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,4
Jun-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,6
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,6
Aug-09	- 72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,7
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,9
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	. 69,839,6
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,7
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,7
for 12 Months Endin	g Current Expense Mon					\$ 62,728,525	in the second		
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				84.48%
							Note 1 - Exclude To	s Brokered Sales, stal for Current Month =	\$ 530,319.

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2009

	Revenues per		Revenues per
	 Form 3.00	Inc	come Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 58,143,434.34	\$	58,143,434.34
Fuel Adjustment Clause	(1,826,641.47)		(1,826,641.47)
DSM	823,759.28		823,759.28
Environmental Surcharge			749,426.66
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 57,140,552.15		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	10,501,166.65		10,501,166.65
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 10,501,166.65	ļ	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 67,641,718.80		
Reconciling Revenues			
Brokered	530,319.84		530,319.84
InterSystem (Transmission Portion Booked in Account 447)			-
Unbilled		L	9,482,696.60
Miscellaneous			2,599,730.25
Total Company Revenues per Income Statement =		\$	81,003,892.15



an @·@1/1 company

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

RECEIVED

FEB 16 2010

PUBLIC SERVICE COMMISSION

February 16, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00311, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 26, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

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

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

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,404,764

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

2,23%

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

Submitted by:

Title: Director, Rates

Date Submitted: February 16, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of January 2010

Calculation of Total E(m)

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

				Environmental Compliance Plans			
(1)	RB			s	240,787,381 20,065,615		
(2)		DR) (TR / (1 - TR)))	=		11.18%		
(4) (5)	OE BAS		=		1,321,905		
(6)	BR		=		•		
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	3,565,241		

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Fonn 3.00	≔	86.20%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	3,073,238
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=	545,396
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	3,618,634
(13)	Revenue Collected through Base Rates	= \$	2,213,870
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	1,404,764
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	62,962,163
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	±	2,23%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Plan
Eligible Pollution Control Plant	\$ 248,284,020
Eligible Pollution CWIP Excluding AFUDC	46,745,229
Subtotal	\$ 295,029,249
Additions:	ERECT STATES OF THE STATES OF
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	
Cash Working Capital Allowance	708,843
Deferred Debit Balance Mill Creek Ash Dredging	514,413
Subtotal	1,223,256
Deductions:	
Accumulated Depreciation on Eligible Pollution Control Plant	40,025,322
Pollution Control Deferred Income Taxes	15,439,802
Subtotal	55,465,124
Environmental Compliance Rate Base	\$ 240,787,381

Determination of Pollution Control Operating Expenses

,	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 317,513
Monthly Depreciation & Amortization Expense	801,221
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	· -
Amortization of Monthly Mill Creek Ash Dredging	171,471
	September 1985 September 1985
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	· · · · · · · · · · · · · · · · · · ·
Total Pollution Control Operations Expense	\$ 1,321,905

Determination of Beneficial Reuse Operating Expenses

	Environ	mental
	Complian	nce Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amo	ount in Rates		Net oceeds
	(1)		(2)	(1)) - (2)
Allowance Sales	\$ -	\$		\$	•
Scrubber By-Products Sales	-		•		<u>-</u>
Total Proceeds from Sales	\$ -	\$	-	S	-

LOUISVILLE GAS AND ELECTRIC 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		Deferred Tax Balance as of 1/31/2010	Monthly ITC Amortization Credit	I	Monthly Depreciation Expense	P	Monthly Property Tax Expense
		The second second						(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	192,860,843.68	s	35,274,812.57	s	-	\$	157,586,031,11	s	13,721,691.01		s	617,234.12	\$	19,775.38
Subtotal Less Retirements and Replacement resulting	\$	192,860,843.68		35,274,812.57		-	S	157,586,031.11			A CONTRACTOR OF THE STREET	S	617,234.12		19,775.38
from implementation of 2001 Plan	s	(5,850,965.00)		(2,914,284.00)		-	\$			(1,053,265,00)		\$	(13,202,24)		(340.72)
Net Total - 2001 Plan:	\$	187,009,878.68	S	32,360,528.57	S	-	\$	154,649,350.11	\$	12,668,426.01		S	604,031.88	S	19,434.66
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	30,861,685.77 11,929,133.00 1,197,310.00 2,734,620.00	S S	8,816,536.46 2,591,857.03 406,756.11 1,148,905.46	s s		\$ \$ \$ \$	22,045,149.31 9,337,275.97 790,553.89 1,585,714.54	s s	1,042,014,49 941,172,24 29,109.17 77,549.70		\$ \$ \$	103,474.14 47,792,32 3,701.68 8,614.06	S S	2,768.55 1,173.13 99.28 199.29
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	S S	46,722,748.77 (7,839,519.99)		12,964,055.06 (6,665,431.96)		<u> </u>	s s	33,758,693.71 (1,174,088.03)	ĺ	2,089,845,60 (796,041.21)		s s	163,582,20 (27,125,26)	1	4,240.25 (386.99
Net Total - 2003 Plan:	s	38,883,228.78	S	6,298,623.10	\$		\$	32,584,605.68	\$	1,293,804.39		S	136,456.94	\$	3,853.26
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$	4,607,107.40 4,730,568.00 850,100.28 308,507.28 7,361,077.48	\$ \$ \$ \$	309,043.80 228,602.13 63,949.47 32,188.95 1,009,289.60	\$ \$ \$ \$		\$ \$ \$ \$ \$ \$	5,653,440.13 4,516,394.39 786,150.81 276,318.33 6,351,787.88	\$ \$ \$ \$	186,386.62 207,703,21 61,051.48 16,835.10 - 896,675.23	Omenius August Street, orași and a	\$ \$ \$ \$	9,740.83 8,396.77 2,564.47 1,146.62 - 22,205.91	\$ \$ \$ \$	699,52 563,85 98,59 34,68 - 796,75
Less Retirements and Replacement resulting from implementation of 2005 Plan	s	(1,191,665,46)	\$	(548,067,86)	s	-	\$	(643,597.60)	s	(131,696.22)		\$	(3,438.31)	s	(79,8
Net Total - 2005 Plan:	\$	16,665,694.98	\$	1,095,006.09	\$	1,369,805.05	S	16,940,493.94	\$	1,236,955.42		\$	40,616.29	S	2,113.5

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2010

(1)		(2)		(3)	11.1//AUT	(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2010	Monthly ITC Amortization Credit		Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,277,720.50 2,050,346.43 397,151.00	5	141,693,14 78,022,52 51,448,20		43,759,604.30 162,355.87 - -		43,759,604.30 3,298,383.23 1,972,323.91 345,702.80	S S	149,381.44 29,215.55 62,018.93		\$ \$ \$ \$	9,887.79 8,867.14 1,360.82	\$	5,440,92 413.53 247.64 43.38
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	5,725,217.93 -	s s	271,163,86	\$ \$	43,921,960.17	\$	49,376,014.24	s s	240,615,92		s s	20,115.75	\$ \$	6,145.47
Net Total - 2006 Plan:	S	5,725,217.93	\$	271,163,86	\$	43,921,960.17	S	49,376,014.24	S	240,615.92		s	20,115,75	S	6,145.47
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - - -	\$ \$ \$	-	S S S	215,815,25 1,237,648.82 - -		215,815,25 1,237,648.82 -		. • •		\$ \$ \$	-	\$ \$ \$	32.82 120,37
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	\$ \$	_	\$	1,453,464,07	s s	1,453,464.07	s s	-		\$	-	\$	153.19
Net Total - 2009 Plan:	S		\$	_	\$	1,453,464.07	\$	1,453,464.07	\$	-		S	-	\$	153.19
Net Total - All Plans:] \$	248,284,020.37	s	40,025,321.62	\$	46,745,229.29	S	255,003,928.04	S	15,439,801.74		 \$	801,220.86	s	31,700.15

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2010

Vintage Year	Nur	nber of Allowand	ces	Tota	al Dollar Value Of Vinta	nge Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	176,982	13,078	7,559	\$ 3,954.50	\$ -	\$ 148.91	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2039	623,790		<u>L</u>	l			

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of January 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI		S IN INVENTORY	, ALL CLASSIFIC	ATIONS		NING WITH	
Quantity	180,007	0	3,025	0	0	176,982	Includes 62,379 allowances for 2010
Dollars	\$ 4,022.09	\$ (0.00)			\$ -	\$ 3,954.50	
\$/Allowance	\$ 0.02		\$ 0,02	s -	\$ -	\$ 0.02	
ALLOCÁTED A	LLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	171,356		3,011			168,345	
Dollars	\$ 3,726,29			\$ -	\$ -	\$ 3,761.51	
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	FUELS 14	I	-	8,637	
Dollars	\$ 295.80	\$ (102,49)	\$ 0.32	-	\$ -	\$ 192.99	
			1		1		
		_1					
ALLOWANCES	FROM PURCHA	SES:					
	FROM PURCHA	SES:					
rom Market:	FROM PURCHA	SES:		_			
From Market: Quantity Dollars	- \$	\$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars		<u></u>		<u> </u>	· · · · · · · · · · · · · · · · · · ·		
From Market: Quantity Dollars \$/Allowance	- \$	\$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	- \$	\$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU Quantity	- \$	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity Dollars \$/Allowance	- \$ - \$ -	\$ - \$ -	\$ - \$ -	S - S -	\$ - \$ -	\$ - \$ -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of January 2010

TOTAL EMISSIO	N ALLOWA	у ј	Purcha				Utilized				l	Ending	Allocation, Purchase, or
	N ALLOWA			tses	(Coal P	uel)	(Other Fuels)			Sold	<u></u>	Inventory	Sale Date & Vintage Years
	N ALLOWA												
Quantity			IN INVE	YTORY	ALL CLA	SSIFIC	ATIONS						
		7,559		0		0		0		0		7,559	Includes 6,212 allowances for 2010
Dollars '	\$ 14	48.91	\$	-	\$	-	\$	-	\$	-	\$	148.91	
/Allowance	\$	0.02	\$	-	\$	-	\$	-	\$	-	\$	0.02	
	-												
ALLOCATED AL	LOWANCE	S FRO	M EPA: C	OAL F	UEL								
Duantity	7	7,393				-				-	Γ	7,393	
Dollars	\$ 13	39.84	\$	5.80	\$		\$	-	\$	_	\$	145.64	
											T		
									-				
ALLOCATED AL	LOWANCE	s fro	M EPA: O	THER	FUELS								
Quantity		166		-		_		-		_	\Box	166	
Dollars	\$	9.07	\$	(5.80)	\$	-	\$	-	\$		\$	3.27	
		'											
ALLOWANCES F	FROM PURC	CHASE	es:										
rom Market:											T		
Quantity		0		0		0		0		0		0	
Oollars	\$	-	\$	-	\$	-	\$		\$	_	\$	-	
Allowance	\$	- 1	\$	_	\$	-	\$	-	\$	-	\$		
					•				•				
rom KU:		1			[Т		
Quantity		0		0	· · · · · ·	0		0	1	0		0	10.00
Dollars	\$	-	\$	-	\$		\$		\$		\$		
Allowance	s	-	\$	-	\$		\$	-	\$		\$		
					1 -						1		L

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of January 2010

	Beginning	Allocation		Utilized	Utilized				Ending	Allocation, Purchase, or
	Inventory	Purchase	s	(Coai Fuel)	(Other Fuels)	ل	Sold	<u> </u>	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENT	ORY,	ALL CLASSIFIC	ATIONS					
Quantity	14,490		0	1,401	11		0		13,078	Includes 14,133 allowances for 2010
Dollars	S -	\$	-	s -	-	\$	_	\$		
Allowance	\$ -	\$	-	\$ -	-	\$		\$. •	
ALLOCATED A	LLOWANCES FR	OM EPA: CO	AL F	JEL						
Quantity	14,352		-	1,401	-		-		12,951	
Dollars	\$ -	\$	-	\$ -	S -	\$	-	\$	-	
ALLOCATED A	LLOWANCES FR		HER I	FUELS						
Quantity	138		- 1	1	11				127	
Dollars	- \$	\$	-	\$ -	\$ -	\$	-	\$		
ALLOWANCES	FROM PURCHA	SES:								
rom Market:										
Quantity -			0	0			0		0	
Dollars	\$ -	\$	-	\$ -	\$	\$	-	\$	-	
\$/Allowance	\$ -	\$		\$ -	\$	\$		\$		
		i								
rom KU:							0		0	
rom KU: Quantity			0	0						
	\$ -	S	0	\$ -	\$ -	\$		\$		
Quantity							-	\$		
Quantity Dollars	\$ -	S	-	\$ -	\$ -	\$		_		

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2010

Environmental Co	mpliance Plan						
O&M Expenses	Amount						
11th Previous Month	\$	408,369					
10th Previous Month		434,572					
9th Previous Month		431,957					
8th Previous Month		443,322					
7th Previous Month		575,403					
6th Previous Month		425,094					
5th Previous Month		508,389					
4th Previous Month		601,705					
3rd Previous Month		371,225					
2nd Previous Month		370,063					
Previous Month		611,664					
Current Month		488,984					
Total 12 Month O&M	\$	5,670,747					

Determination of Working Capital Allowance											
12 Months O&M Expenses	\$		5,670,747								
One Eighth (1/8) of 12 Month O&M Expenses		1/8									
Pollution Control Cash Working Capital Allowance	\$		708,843								

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables	Water and the state of the state	162,685.59	24,947.71	187,633.30
506105 - NOx Operation - Labor and Other		4,965.37	2,309.99	7,275.36
512101 - NOx Maintenance		14,220.82	17,607.80	31,828.62
Total 2001 Plan O&M Expenses		181,871.78	44,865.50	226,737.28
2005 Plan				
502006-Scrubber Operations	the state of the s		(6,057.00)	(6,057.00
512005-Scrubber Maintenance			53,576.98	53,576.98
Ashpond Dredging Expense		171,471.17	See Color Carlos	171,471.17
Total 2005 Plan O&M Expenses		171,471.17	47,519.98	218,991.15
2006 Plan				
506109 - Sorbent Injection Operation		- !	42,827.48	42,827.48
512102 - Sorbent Injection Maintenance		-	427.98	427.98
506110 - Mercury Monitors Operation	~	-		-
512103 - Mercury Monitors Maintenance	_	-	-	
502006 - Scrubber Operations			- 1	-
512005 - Scrubber Maintenance			-	_
506104 - NOx Operation Consumables			-	•
506105 - NOx Operation Labor and Other			-	-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance			- 1	
Total 2006 Plan O&M Expenses	-	-	43,255.46	43,255.46
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	-
Net 2009 Plan O&M Expenses			_	
Current Month O&M Expense for All Plans	- 7.7	353,342.95	135,640.94 1	488,983.89

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
	-		
		<u> </u>	
Total Monthly Benef	icial Reuse Expense		\$ -
Adjustment for Bene	.61)	\$ -	
Net Beneficial Reuse		\$ -	

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane	Run	n Mill Creek		Trimble County		Total
2000 20000 2			1		1		——————————————————————————————————————
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$		\$		\$	-	
(2) Monthly Amount [(1) / 12]	\$	-	\$		\$	-	
2009 Plan Project 25		*****					WILLIAM TO THE .
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$	-	
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	-	<u>.</u>
Beneficial Reuse in Base Rates				·			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	×	\$	-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$		
If Line (8) Greater than Zero, No Adjustment				W-W-10-11-11-1			,
If Line (8) Less than Zero, Adjustment for Base Rates							
djustment for Base Rate Amount (to ES Form 2.60)	1\$		1\$	-	T\$	- I	\$

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: January 31, 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	Enviroumental 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	56,131,237	5,020,001	1,263,027	413,484	62,827,749	62,414,265	13,111,973	75,939,722	75,526,238	
Mar-09	48,018,167	4,872,733	1,072,188	395,265	54,358,353	53,963,088	14,156,392	68,514,745	68,119,480	
Apr-09	48,311,610	4,594,071	714,725	698,050	54,318,456	53,620,406	11,572,181	65,890,637	65,192,587	
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,452	
Jun-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,68	
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,63	
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,71	
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,92	
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,69	
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,74	
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,71	
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,51	
for 12 Months Ending	g Current Expense Mon		*			s 62,962,163	al Asiana		:	
Jurisdictional Allocat Expense Month Ke	entucky Jurisdictional Re	rent Month (Environmen evenues Divided by Expe	tal Surcharge Excluded ense Month Total Comp	from Calculations): any Revenues: Column	(7) / Column (10) =				86,20%	
							Note 1 - Excludes Tot	Brokered Sales, tal for Current Month =	\$ 349,041.2	

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2010

	Revenues per		Revenues per	
	Form 3.00	Inco	ome Statement	
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 66,862,994	\$	66,862,994	
Fuel Adjustment Clause	\$ (950,652)	\$	(950,652	
DSM	\$ 1,556,289	\$.	1,556,289	
Environmental Surcharge		\$	1,306,389	
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 67,468,632			
Non -Jurisdictional Revenues InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 10,796,885	\$	10,796,885	
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$. 10,796,885			
Total Company Revenues for Environmental Surcharge Purposes =	\$ 78,265,517			
Reconciling Revenues				
Brokered	\$ 349,041	\$	349,041	
InterSystem (Transmission Portion Booked in Account 447)		\$	-	
Unbilled		\$	(5,483,423	
Miscellaneous		\$	1,218,778	
Total Company Revenues per Income Statement =		\$	75,656,302	



an @•@#1 company

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

RECEIVED

MAR 19 2010

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

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

March 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00311, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after March 30, 2010.

It has come to my attention that there is an error on ES Form 2.50 for the month of January 2010. Attached to this letter are revised ES Forms 2.50, 2.40, 2.00, and 1.10, reflecting the correction. The cumulative effect on Net Jurisdictional E(m) is a reduction of \$46,238. The impact of the over-collection is reflected on ES Form 1.10 in the February 2010 expense month filing.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ (240,106)

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

-0.38%

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

Submitted by

Title: Director, Rates

Date Submitted: March 19, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of February 2010

Calculation of Total E(m)

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

				Er	nvironmental	Compliance Plans
(1)	RB		=	\$		240,159,906
(2)	RB / 12		=			20,013,326
(3)	(ROR + (ROR	- DR) (TR / (1 - TR)))	=			11,18%
(4)	OE	, , , , , , , , , , , , , , , , , , , ,	=			1,301,288
(5)	BAS		=			•
(6)	BR		=			•
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	•	3,538,778

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Altocation Ratio for Expense Month ES Form 3.00	Ħ	80.32%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= S	2,842,346
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=	545,397
(11)	Prior Period Adjustment (if necessary)	=	(46,238)
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	3,341,505
(13)	Revenue Collected through Base Rates	= S	3,58,1,611
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(240,106)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	. = \$	63,063,357
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	-0,38%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental C	ompliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	47,088,227	
Subtotal	3	295,534,603
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	709,653	
Deferred Debit Balance Mill Creek Ash Dredging	342,942	
Subtotal		1,052,595
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	40,870,253	
Pollution Control Deferred Income Taxes	15,557,039	
Subtotal		56,427,292
Environmental Compliance Rate Base		240,159,906

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 296,952
Monthly Depreciation & Amortization Expense	801,165
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	•
Amortization of Monthly Mill Creek Ash Dredging	171,471
	· · · · · · · · · · · · · · · · · · ·
Less: Operating Expenses Associated with Retirements or Replacements	<u>-</u>
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,301,288

Determination of Beneficial Reuse Operating Expenses

	Environm	ental
	Complianc	e Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

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

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2010

Plant In Service Plant In Se	(1)	T	(2)	****	(3)		(4)		(5)	(6)		(7)	up. a prestanció	(8)	· ·	(9)
200 Plan: Project 6 - LGE NOx \$ 192,860,844 \$ 35,892,047 \$ - \$ 156,968,797 \$ 13,783,507 \$ 5 617,234 \$ 155 Subtotal \$ 192,860,844 \$ 35,892,047 \$ - \$ 156,968,797 \$ 13,783,507 \$ 5 617,234 \$ 155 Less Retirements and Replacement resulting from implementation of 2001 Plan \$ (5,850,965) \$ (2,914,284) \$ - \$ (2,936,681) \$ (1,053,265) \$ 5 (13,202) \$ 5 Net Total - 2001 Plan: \$ 187,009,879 \$ 32,977,765 \$ - \$ 154,032,116 \$ 12,735,242 \$ 5 604,032 \$ 1 2003 Plan: Project 7 - Project 17 - Fulfil Creek FGD Serubber Conversion \$ 30,861,686 \$ \$ 8,502,011 \$ \$ 1,049,218 \$ 5 10,447,42 \$ \$ 1,049,218 \$ 5 10,447,92 \$ \$ 1,049,218 \$ 5 10,447,92 \$ \$ 1,049,218 \$ 5 10,447,92 \$ \$ 1,049,218 \$ 5 1,049,218 \$ 5 10,447,92 \$ \$ 1,049,218 \$ 5 1,049,2	Description		Plant In		Accumulated		Amount Excluding		Plant In	Tax Balance as of	I	ITC Amortization	D	epreciation	1	Monthly Property Tax Expense
Subtotal					100 5-100 500 500 500 500 500 500 500 500 500				(2)-(3)+(4)				/	The state of the s		
Less Retirements and Replacement resulting from implementation of 2001 Plan S (5,850,965) S (2,914,284) S - S (2,936,681) S (1,053,265) S (13,202) S Net Total - 2001 Plan: S 187,096,879 S 32,977,763 S - S 154,032,116 S 12,735,242 S 604,032 S 19 2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion S 30,861,686 S 8,920,011 S - S 21,041,675 S 1,049,218 S 103,474 S Project 8 - Project 18 - Project 19 - Superior Mill Creek FGD Scrubber Conversion S 11,929,133 S 2,639,649 S - S 9,289,454 S 940,713 S 47,792 S Project 10 - SO2, Absorber Trays - Mill Creek 3 & 4 S 1,1929,133 S 46,782 S - S 786,852 S 29,424 S 3,702 S Project 10 - SO2, Absorber Trays - Mill Creek 3 & 4 S 2,734,620 S 1,157,520 S - S 1,577,100 S 78,153 S 8,614 S S 2,734,620 S 1,157,520 S - S 1,577,100 S 78,153 S 8,614 S S 2,734,620 S 1,157,520 S - S 33,595,112 S 2,097,509 S 163,582 S Less Retirements and Replacement resulting S (7,839,520) S (6,665,432) S - S (1,174,088) S (796,041) S (27,125) S Project 12 - Social Waste Landfill Expansion at Mill Creek S 4,671,075 S 38,883,229 S 6,462,205 S - S 32,421,023 S 1,301,468 S 9,741 S Project 11 - Special Waste Landfill Expansion at Mill Creek S 2,396, S 33,883,229 S 6,462,205 S - S 32,421,023 S 1,301,468 S 9,741 S Project 12 - Special Waste Landfill Expansion at A Grape Rustion S 4,730,568 S 235,999 S 19,201 S 4,512,770 S 214,148 S 8,397 S Project 13 - Seculbber Refubrishment at Trimble County Unit 1 S 850,100 S 65,514 S - S 73,586 S 63,104 S 2,554 S Project 13 - Seculbber Refubrishment at Cane Run Unit 5 S - S S S S S S S S S S S S S S S S S		s	192,860,844	s	35,892,047	s	-	\$	156,968,797	\$ 13,788,50	7		5 ,	617,234	s	19,775
Net Total - 2001 Plane: S	Less Retirements and Replacement resulting	1					-						-			19,775 (341)
2003 Plans: 2003 Plans: S	from implementation of 2001 Plan	,					-	7			Ĺ					
Project 7 - Mill Creek FGD Scrubber Conversion S 30,861,686 S 8,920,011 S - S 21,941,675 S 1,049,218 S 103,474 S Project 8 - Precipitator Upgrades - All Plants S 11,292,133 S 2,639,649 S - S 9,289,454 S 940,713 S 47,792 S 7,792 S 7,992	Net Total - 2001 Plan:	\$	187,009,879	S	32,977,763	S	-	2	154,032,116	\$ 12,735,24	2	pponts of the second se	S	604,032	\$	19,435
Less Retirements and Replacement resulting from implementation of 2003 Plan \$ (7,339,520) \$ (6,665,432) \$ - \$ (1,174,088) \$ (796,041) \$ \$ (27,125) \$ Net Total - 2003 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Serubber Refurbishment at Trimble County Unit 1 \$ 25,000 \$ 66,514 \$ - \$ 783,586 \$ 63,104 \$ \$ 2,564 \$ \$ 780,001 \$ \$ 7,365,007 \$ \$ 33,336 \$ - \$ 275,172 \$ 17,006 \$ 1,147 \$ \$ 7,365,007 \$ 1,031,496 \$ - \$ 63,29,582 \$ 913,706 \$ \$ 22,206 \$ \$ 17,857,360 \$ 17,857,360 \$ 1,687,129 \$ 1,374,578 \$ 17,544,810 \$ 1,399,912 \$ 44,055 \$ \$ 1,399,912 \$ 44,055 \$ \$ 1,399,912	Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek	s s	11,929,133 1,197,310	\$ \$	2,639,649 410,458	.s	- - -	S	9,289,484 786,852	\$ 940,71 \$ 29,42	3 4		\$	47,792 3,702	\$	2,769 1,173 99 199
2005 Pfan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station S 4,730,568 \$ 236,999 \$ 19,201 \$ 4,512,770 \$ 214,148 \$ 8,397 \$ 70,000 \$ 66,514 \$ - \$ 733,586 \$ 63,104 \$ 2,564 \$ 70,000 \$ 66,514 \$ - \$ 733,586 \$ 63,104 \$ 2,564 \$ 70,000 \$ 66,514 \$ - \$ 733,586 \$ 63,104 \$ 2,564 \$ 70,000 \$ 1,147 \$ 70,000 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000 \$ 1,147 \$ 70,000	Less Retirements and Replacement resulting	1					-	"			1			•		4,240
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek 5	Net Total - 2003 Plan		78 883 229	Ś	6 462 205	 \$	-	 \$	32 421 023	S 1.301.46	8		S	136,457	s	3,853
Trust implementation of 2005 Fiam 3 (1,191,005) 3 (3-1,005) 3 (3-1,005)	2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077	\$ \$ \$ \$ \$	318,785 236,999 66,514 33,336 1,031,496	\$ \$ \$ \$ \$	1,355,377 19,201 - - - -	\$ \$ \$ \$ \$ \$ \$ \$ \$	5,643,699 4,512,770 783,586 275,172 - 6,329,582	\$ 191,94 \$ 214,14 \$ 63,10 \$ 17,00 \$ 913,70	18 18 04 06		\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$ \$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan: \$ 16,665,695 \$ 1,139,061 \$ 1,374,578 \$ 16,901,212 \$ 1,268,216 \$ 40,616 \$				<u></u>		1	1 374 579	1						2007		2,114

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		Deferred Tax Balance as of 2/28/2010	Monthly ITC Amerization Credit	t	Monthly Depreciation Expense	F	Monthly Property Tax Expense
AND THE RESIDENCE OF THE PROPERTY OF THE PROPE	A. WALLES TO SHARE THE PARTY OF			The state of the s				(2)-(3)+(4)	-						
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal	\$ \$ \$	3,440,076 2,050,346 397,151 5,887,574	s	151,525 86,890 52,809	S S	43,812,797	\$ \$ \$	43,812,797 3,288,551 1,963,457 344,342 49,409,147	\$ \$ \$	158,040 31,018 63,057		\$ \$ \$ \$	9,832 8,867 1,361	\$ \$ \$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting	s	5,887,574	2	291,224	2	43,812,797	2	49,409,147	\$	252,114		2	20,060	2	6,145
from implementation of 2006 Plan	\$	-	s	•	s	-	s	-	\$			s	-	\$	-
Net Total - 2006 Plan:	\$	5,887,574	S	291,224	S	43,812,797	\$	49,409,147	S	252,114		\$	20,060	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	-	\$ \$ \$	-	\$ \$ \$	214,097 1,686,756		214,097 1,686,756 - -		- - -		S S S	-	\$ \$ \$	33 120 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s		s s	-	s s	1,900,852	\$ \$	1,900,852	s s	-		s s	-	\$ \$	153
Net Total - 2009 Plan:	s	-	\$	*	\$	1,900,852	\$	1,900,852	\$	-		\$	-	\$	153
Net Total - All Plans:	\$	248,446,376	S	40,870,253	\$	47,088,227	 \$	254,664,351	\$	15,557,039		<u> </u>	801,165	S	31,700

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: February 28, 2010

Vintage Year	Nur	nber of Allowan	ces	Tot	al Dollar V	alue Of Vintage	Year		Comments and Explanations
-	SO ₂	NOx	NOx	SO ₂		NOx	T	NOx	
		Annual	Ozone Season			Annual	(Ozone Season	
Current Year	171,611	11,938	7,559	\$ 3,881.51	\$	-	\$	148.91	
2011	62,379	14,133	6,212						
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379				·		\bot		
2025	62,379						\perp		
2026	62,379								
2027	62,379						1_		
2028	62,379								
2029	62,379								
2030 - 2039	623,790								

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of February 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	176,982	(2,104)	3,267	0	0	171,611	
Dollars	\$ 3,954.50		\$ 72.99	\$ -	\$ -	\$ 3,881.51	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ -	\$ -	\$ 0,02	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	168,345	(2,104)	3,234			163,007	Adjustment reflects the transfer of IMEA/IMPA share of unused
Dollars	\$ 3,761.51	\$ (2.35)	\$ 72.25	\$ -	\$ -	\$ 3,686.91	2009 allowances
					•		
ALLOCATED A	ALLOWANCES FR		FUELS 33			8,604	
Quantity		-	33			\$,604 \$ 194.60	
Quantity	8,637	-	33		-		
Quantity Dollars ALLOWANCES	8,637	\$ 2.35	33		-		
Quantity Dollars ALLOWANCES From Market:	8,637 \$ 192.99 S FROM PURCHAS	\$ 2.35	33 \$ 0.74	\$ -	\$ -	\$ 194.60	
Quantity Dollars ALLOWANCES From Market: Quantity	8,637 \$ 192.99 S FROM PURCHAS	\$ 2.35 SES:	33 \$ 0.74	\$ -	\$	\$ 194.60	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars	\$,637 \$ 192.99 \$ FROM PURCHAS - \$ -	3 2.35 SES:	33 \$ 0.74	\$ - - \$ -	\$ - \$ -	\$ 194.60	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars	8,637 \$ 192.99 S FROM PURCHAS	\$ 2.35 SES:	33 \$ 0.74	\$ -	\$	\$ 194.60	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars \$/Allowance	\$,637 \$ 192.99 \$ FROM PURCHAS - \$ -	3 2.35 SES:	33 \$ 0.74	\$ - - \$ -	\$ - \$ -	\$ 194.60	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars S/Allowance From KU	\$,637 \$ 192.99 \$ FROM PURCHAS - \$ -	3 2.35 SES:	33 \$ 0.74	\$ - - \$ -	\$ - \$ -	\$ 194.60	
Quantity Dollars	\$,637 \$ 192.99 \$ FROM PURCHAS - \$ - \$ -	2.35 ES:	33 \$ 0.74	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ 194.60 	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of February 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISES	ON ATTOWANCE	C TAT TATE PRINTING AND	ATT OT ADDITION	- mronic			
	ON ALLOWANCES		· · · · · · · · · · · · · · · · · · ·			7.550	
Quantity Dollars	7,559	0	0	0	0	7,559	
	\$ 148.91		\$ -	\$ -	\$ -	\$ 148.91	
\$/Allowance	\$ 0.02	s -	\$ -	\$ -	\$	\$ 0.02	
ALLOCATED A	LLOWANCES FRO	OM EPA- COAL E	TIET				
Ouantity	7,393	-	-	l	Τ .	7,393	
Dollars	S 145.64	\$ -	s -	\$ -	\$ -	\$ 145.64	
	1	-				113.01	
	LLOWANCES FRO	OM EPA: OTHER	1			166	
ALLOCATED A Quantity Dollars	166 \$ 3,27	T	FUELS -	\$ -	\$ -	\$ 3.27	
Quantity Dollars ALLOWANCES	166	\$ -	•				
Quantity Dollars	\$ 3.27	\$ -	•				
Quantity Dollars ALLOWANCES From Market: Quantity	166 \$ 3.27 FROM PURCHAS:	\$ -	•				
Quantity Dollars ALLOWANCES From Market: Quantity Dollars	\$ 3.27 FROM PURCHAS	s -	\$ -	\$ - 0 \$ -	\$ -	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity	166 \$ 3.27 FROM PURCHAS:	ES:	\$ -	s - 0	\$ -	\$ 3.27	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars \$/Allowance	166 \$ 3.27 FROM PURCHAS: 0 \$ -	ES: 0	0 S -	\$ - 0 \$ -	0 \$ -	3.27	
Quantity Dollars ALLOWANCES From Market; Quantity Dollars \$/Allowance	166 \$ 3.27 FROM PURCHAS: 0 \$ -	ES: 0	0 S -	\$ - 0 \$ -	0 \$ -	3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	166 \$ 3.27 FROM PURCHAS: 0 \$ -	ES: 0	0 S -	\$ - 0 \$ -	0 S - S -	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars	166 \$ 3.27 FROM PURCHAS 0 \$ - \$ -	ES: 0 \$ -	0 S - S -	\$ - 0 \$ - \$ -	0 S - S -	\$ 3.27	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of February 2010

	Begin	ning	Allocati		Utilized		Utilized				Ending	Allocation, Purchase, or
	Inve	ntory	Purcha	ses	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLO	WANCES	IN INVEN	TORY	, ALL CLASSIF	CATIO	ONS					
Quantity		13,078		228	1,35	7	11		0		11,938	
Dollars	\$	-	\$		\$ -	\$	-	\$		\$	-	
S/Allowance	\$	•	\$	-	\$ -	\$	•	\$	-	\$	-	
ALLOCATED AL	TOWAN	CEC EDA	M FDA. C	OAT E								
Quantity	LOWAIN	12,951	WI EFM: C	22I	1,35	7	-		-		11,815	Adjustment reflects addition of 861 2009 early reduction credits
Dollars	\$	-	\$		\$ -	\$	-	\$	-	\$		and transfer of 640 IMEA/IMPA unused 2009 allowances
ALLOCATED AL	LLOWAN		M EPA: O	THER								
Quantity		127		7			11		-	 _		Adjustment reflects addition of 2009 early reduction credits
Dollars	\$	-	\$		\$ -	\$		\$	-	\$	· · · · · · · · · · · · · · · · · · ·	
											101	
ALLOWANCES I	FROM PU	RCHAS	ES:									
rom Market:												
Quantity		0		0		0	0		0	Ι_	. 0	
Dollars	\$	-	\$	-	\$ -	\$	•	\$		\$	-	
\$/Allowance	\$	-	\$	-	\$ -	\$	<u> </u>	\$		\$	<u> </u>	
	· · · · · · · · · · · · · · · · · · ·											
From KU:										\vdash		
Quantity		0		0		0	0	L	0	-	0	
Dallana	\$		\$	-	\$ - \$ -	\$		\$		\$		
Dollars \$/Allowance	\$			_	- 2	l \$	_	\$	_	l \$	-	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$	434,572					
10th Previous Month		431,957					
9th Previous Month		443,322					
8th Previous Month		575,403					
7th Previous Month	,	425,094					
6th Previous Month		508,389					
5th Previous Month		601,705					
4th Previous Month		371,225					
3rd Previous Month		370,063					
2nd Previous Month		611,664					
Previous Month		435,407					
Current Month		468,423					
Total 12 Month O&M	.\$	5,677,224					

Determination of Working Car	ital Allowanc	e	
12 Months O&M Expenses	\$		5,677,224
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		709,653

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 28, 2010

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables	er 1	148,656,27	42,438.43	191,094.70
506105 - NOx Operation — Labor and Other		4,208,39	3,884.67	8,093.06
512101 - NOx Maintenance		31,929.05	(9,729.52)	22,199.53
Total 2001 Plan O&M Expenses		184,793.71	36,593.58	221,387.29
2005 Plan				
502006-Scrubber Operations		11	21,866.47	21,866.47
512005-Scrubber Maintenance		1781	-	-
Ashpond Dredging Expense		171,471.16		171,471,16
Total 2005 Plan O&M Expenses		171,471.16	21,866.47	193,337.63
2006 Plan				
506109 - Sorbent Injection Operation		-	52,776.73	52,776.73
512102 - Sorbent Injection Maintenance		- [921.17	921.17
506110 - Mercury Monitors Operation	-	-	-	-
512103 - Mercury Monitors Maintenance	-		-	
502006 - Scrubber Operations			· -	
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation Consumables			-	-
506105 - NOx Operation Labor and Other	-		-	-
512101 - NOx Maintenance			-	
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance	Compart of the State of Compart		-	-
Total 2006 Plan O&M Expenses	\$	•	53,697.90	53,697.9
2009 Plan		·		
502012 - ECR Landfill Operations	-		• . •	-
512105 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	13.1	-	-
Net 2009 Plan O&M Expenses			-	-
Current Month O&M Expense for All Plans		356,264.87	112,157,95	468,422.8

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane	Run T	rimble 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)	\$	- \$	<u>.</u>
(6) Monthly Expense Amount [(5) / 12]	\$	- \$.	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$	· . ·
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$	-
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
djustment for Base Rate Amount (to ES Form 2.50)	<u> </u>	- 18	

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 28, 2010

Third Party	O&M Expense Account	Plant	Total O&M
ļl.			
Total Monthly Bene	eficial Reuse Expense		\$ -
	7 1 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1) (1)	[A
Net Beneficial Reus	reficial Reuse in Base Rates (from ES Form 2	2.01)	\$ - \$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: February 28, 2010

			Kentucky Juriso	lictional Revenues			Non- Jurisdictional Revenues	Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
Mar-091	48,018,167	4,872,733	1,072,188	395,265	54,358,353	53,963,088	14,156,392	68,514,745	68,119,480
Apr-09	48,311,610	4,594,071	714,725	698,050	54,318,456	53,620,406	11,572,181	65,890,637	65,192,587
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,452
Jun-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,685
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,631
Aug-09	72,375,034	2.006.115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
for 12 Months Endin	ng Current Expense Mon					\$ 63,063,357	Barren .		
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				80.32%
							Note I - Excludes To	s Brokered Sales, tal for Current Month =	\$ 813,378,87

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2010

	Revenues per	R	evenues per
	Form 3.00	Inco	ome Statement
Kentucky Retail Revenues			•
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 62,148,756	\$	62,148,756
Fuel Adjustment Clause	\$ 96,267	\$	96,267
DSM	\$ 1,383,572	\$	1,383,572
Environmental Surcharge		\$	1,807,451
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 63,628,594		
Non -Jurisdictional Revenues InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 15,594,307	\$	15,594,307
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 15,594,307		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 79,222,901		
Reconciling Revenues			
Brokered	\$ 813,379	\$	813,379
InterSystem (Transmission Portion Booked in Account 447)		\$	_
Unbilled		\$	7,273,500
Miscellaneous .		\$	1,354,823
Total Company Revenues per Income Statement =		\$	90,472,054

Exhibit 1

Louisville Gas and Electric Company

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

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

Calculation of Total E(m)

E(m) = [(RB / 12)](1)	ROR+(RO	DR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	40	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TŘ	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
B D		Banaficial Rausa Operating Expanses

			Environn	nental Compliance Plans	J	anuary 2010 as filed	
	/12 DR + (ROR - DR) (TR / (1 - TR))) S	# # # # #	\$	240,780,684 20,065,057 11,18% 1,268,328	\$	240,787,381 \$ 20,065,615 11.18% 1,321,905	(6,6 (5 0.0 (53,5
(7) E(n	n) (2) x (3) + (4) - (5) + (6)	=	\$	3,511,601	\$	3,565,241 \$	(53,6
	nal Environmental Surcharge Billing Factor Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		86.20%		86.20%	0.0
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	s	3,027,000	\$	3,073,238 \$	(46,2
	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-003	111 =		545,396		545,396	

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	-		86.20%	86.20%	0.00%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	3,027,000	\$ 3,073,238	\$ (46,238)
(10) (11) (12)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 Prior Period Adjustment (if necessary) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	. = -		545,396 - 3,572,396	545,396 - 3,618,634	(46,238)
(13)	Revenue Collected through Base Rates	**	\$	2,213,870	\$ 2,213,870	\$
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [[12] - [13]]	==	\$	1,358,526	\$ 1,404,764	\$ (46,238)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	s	62,962,163	\$ 62,962,163	\$ -
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=		2.16%	2.23%	-0.07%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Plan
Eligible Pollution Control Plant	\$ 248,284,020
Eligible Pollution CWIP Excluding AFUDC	46,745,229
Subtotal	\$ 295,029,249
Additions:	ALL NOTES
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-
Cash Working Capital Allowance	702,146
Deferred Debit Balance Mill Creek Ash Dredging	514,413
Subtotal	1,216,559
Deductions:	
Accumulated Depreciation on Eligible Pollution Control Plant	40,025,322
Pollution Control Deferred Income Taxes	15,439,802
Subtotal	55,465,124
Environmental Compliance Rate Base	\$ 240,780,684

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 263,936
Monthly Depreciation & Amortization Expense	801,221
less investment tax credit amortization	•
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	_
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Poliution Control Operations Expense	\$ 1,268,328

Determination of Beneficial Reuse Operating Expenses

		ronmental liance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
	1.4	
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

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

Environmental Compliance Plan			
O&M Expenses	Amount		
11th Previous Month	\$ 408,369		
10th Previous Month	434,572		
9th Previous Month	431,957		
8th Previous Month	443,322		
7th Previous Month	575,403		
6th Previous Month	425,094		
5th Previous Month	508,389		
4th Previous Month	601,705		
3rd Previous Month	371,225		
2nd Previous Month	370,063		
Previous Month	611,664		
Current Month	435,407		
Total 12 Month O&M	\$ 5,617,170		

Determination of Working Capital Allowance				
12 Months O&M Expenses	\$		5,617,170	
One Eighth (1/8) of 12 Month O&M Expenses		1/8		
Pollution Control Cash Working Capital Allowance	\$		702,146	

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
Occur Expense Account	Calle Kuir	Will Clerk	Timble County 1	1061
2001 Plan				
506104 - NOx Operation — Consumables	1:	162,685,59	24,947.71	187,633,30
506105 - NOx Operation — Labor and Other		4,965.37	2,309.99	7,275.36
512101 - NOx Maintenance		14,220.82	17,607.80	31,828.62
Total 2001 Plan O&M Expenses		181,871.78	44,865.50	226,737.28
2005				
2005 Plan S02006-Scrubber Operations			(6,057.00)	(6,057.00
512005-Scrubber Maintenance			(0,037.00)	(6,037.00
Ashpond Dredging Expense		171,471.17		171,471.17
Total 2005 Plan O&M Expenses		171,471.17	(6,057.00)	
Total 2003 Film Octal Exposition			(0,057.00)]	100, 11, 11, 11
2006 Plan				
506109 - Sorbent Injection Operation		-	42,827.48	42,827.48
512102 - Sorbent Injection Maintenance		-	427.98	427.98
506110 - Mercury Monitors Operation	-	-		
512103 - Mercury Monitors Maintenance	-	-	-	-
502006 - Scrubber Operations			-	
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation Consumables			-	
506105 - NOx Operation Labor and Other			-	
512101 - NOx Maintenance			•	1
506001 - Precipitator Operation			-	-
506111 - Activated Carbon				-
512011 - Precipitator Maintenance			-	•
Total 2006 Plan O&M Expenses	\$		43,255.46	43,255,46
	***************************************	, , , , , , , , , , , , , , , , , , , ,		
2009 Plan		1		
502012 - ECR Landfill Operations 512105 - ECR Landfill Maintenance				-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51) Net 2009 Plan O&M Expenses			· · · · · · · · · · · · · · · · · · ·	
1100 2009 Fiati Occivi Expenses				<u> </u>
Current Month O&M Expense for All Plans	18	353,342.95	82 063 96	435,406.9
Current revolut Court Expense for Air rians		1 303,342.73	02,003.90	433,400.3

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



an **@-om** company

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

RECEIVED

APR 19 2010

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

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

April 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2010. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2009-00311, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after April 29, 2010.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

649,805

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

1.02%

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

Submitted by:

Title: Director, Rates

Date Submitted: April 19, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of 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		

				Environ	mental Compliance Plans
(1) (2)	RB RB/12		==	\$	239,219,439 19,934,953
(3)	(ROR + (ROR -	DR) (TR / (1 - TR)))	=		11.18%
(4)	OE BAS		. =		1,416,156
(6)	BR		≕		•
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	æ	\$	3,644,884

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=		88,90%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	3,240,302
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	==		-
(H)	Prior Period Adjustment (if necessary)	=		-
(12)	Adjusted Jurisdictional E(m) [(9)+(10)+(11)]	=	<u>_</u> :	3,240,302
(13)	Revenue Collected through Base Rates	=	Š	2,590,497
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	s	649,805
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3,00	=	s	63,776,579
(16)	. Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		1,02%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Co	ompliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	47,262,768	
Subtotal	\$	295,709,144
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Cash Working Capital Allowance	728,250	
Deferred Debit Balance Mill Creek Ash Dredging	171,471	
Subtotal		899,721
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	41,715,128	
Pollution Control Deferred Income Taxes	15,674,298	
Subtotal		57,389,426
Environmental Compliance Rate Base	S S	239,219,439

Determination of Pollution Control Operating Expenses

	The state of the s
	Enviromental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 411,875
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	· -
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,416,156

Determination of Beneficial Reuse Operating Expenses

	Environment
	Compliance P
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

	otal ceeds	ı	ount in e Rates		Net Proceeds
	(1)		(2)		(1) - (2)
Allowance Sales	\$ -	\$		\$	-
Scrubber By-Products Sales	•				-
Total Proceeds from Sales	\$ -	\$	-	S	· -

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		Deferred Tax Balance as of 3/31/2010	Monthly ITC Amortization Credit	Do	Monthly spreciation Expense	I	Monthly Property Tax Expense
								(2)-(3)+(4)							
2001 Plau: Project 6 - LGE NOx	s	192,860,844	\$	36,509,281	s	-	s	156,351,563	\$	13,855,322		s	617,234	s	19,77
Subtotal	\$	192,860,844	\$	36,509,281	\$	*	\$	156,351,563	\$	13,855,322		\$	617,234	\$	19,77
Less Retirements and Replacement resulting from implementation of 2001 Plan	s	(5,850,965)	s	(2,914,284)	s	-	\$	(2,936,681)	\$	(1,053,265)		s	(13,202)	\$	(34)
Net Total - 2001 Plan;	s	187,009,879	\$	33,594,997	S	-	\$	153,414,882	S	12,802,057		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitztor Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	30,861,686 11,929,133 1,197,310 2,734,620	\$ \$ \$	9,023,485 2,687,442 414,159 1,166,134	\$ \$ \$	- - -	\$ \$ \$	21,838,201 9,241,691 783,151 1,568,486	\$ \$ \$	1,056,421 940,254 29,739 78,757		\$ \$ \$	103,474 47,792 3,702 8,614	\$ \$ \$	2,769 1,177 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	46,722,749 (7,839,520)		13,291,219 (6,665,432)			s s	33,431,529 (1,174,088)		2,105,172 (796,041)		\$	163,582 (27,125		4,24
Net Total - 2003 Plan:	s	38,883,229	\$	6,625,788	\$		\$	32,257,441	S	1,309,131		\$	136,457	S	3,85
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$	328,525 245,396 69,078 34,482 1,053,701 1,731,183 (548,068	\$ \$ \$ \$ \$	1,356,418 23,501 - - - - 1,379,920	\$ \$ \$ \$	5,635,000 4,508,674 781,022 274,025 6,307,376 17,506,097 (643,598	\$ \$ \$ \$	930,736		\$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,554 1,147 - 22,206 44,055	\$ \$ \$ \$ \$	70 56 5 3 - 79 2,19
Net Total - 2005 Plan:	S	16,665,695	S	1,183,115	S	1,379,920	S	16,862,500	 \$	1,299,476	5	 \$	40,616	5 \$	2,

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		Deferred Fax Balance as of 3/31/2010	Monthly ITC Amortization Credit	De	Monthly preciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$	161,302 95,757 54,170	\$	44,346,239 32,309 - -	\$ \$ \$	44,346,239 3,311,084 1,954,590 342,981	s s	166,719 32,821 64,094		\$ 5	9,777 8,867 1,361	\$ \$ \$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	5,887,574 -	s s	311,229	\$ \$	44,378,548	\$	49,954,894 -	s s	263,635		S S	20,005	s s	6,14
Net Total - 2006 Plan;	\$	5,887,574	\$	311,229	S	44,378,548	S	49,954,894	\$	263,635		S	20,005	\$	6,14
2009 Plan: Project 22 - Cane Run CCP Storage (Lendfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	231,382 1,242,779 30,138 -	s	231,382 1,242,779 30,138	2,	-		\$ \$ \$	-	\$ \$ \$	3 12 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$		s,	_	\$	1,504,300	\$	1,504,300	s s			s s	*	s s	15
Net Total - 2009 Plan:	S	-	S	-	s	1,504,300	\$	1,504,300	S		1	\$		S	15
						A CONTRACTOR OF THE CONTRACTOR						Ţ.			A STATE OF THE STA
Net Total - All Plans:	\$	248,446,376	\$	41,715,128	S	47,262,768	\$	253,994,016	\$	15,674,298		\$	801,110	\$	31,70

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

Inventory of Emission Allowances

For the Month Ended: March 31, 2010

Vintage Year	Nur	nber of Allowan	ces	Tota	al Dollar Value Of Vir	ntage Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season	_	Annual	Ozone Season	
Current Year	169,308	10,735	7,643	\$ 3,829.42	\$	- \$ 150.57	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						'
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379		,				
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2039	623,790						

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of March 2010

	Begin	nning	Alloca	tions/	Ut	ilized		Utilized				Ti-	Ending	Allocation, Purchase, or	
	Inve		Purch	nases	(Coz	al Fuel)	(C	ther Fuels)			Sold		Inventory	Sale Date & Vintage Years	
TOTAL EMISSIO	N ALLO	WANCES	IN INVI	ENTORY	ALL C	LASSIFIC	ATIONS								
Quantity		171,611		0		2,303			0)	169,308		
Dollars	S	3,881.51	\$	-	\$	52.09	\$		-	\$	_	\$	3,829.42		
\$/Allowance	\$	0.02	\$	-	\$	0.02	\$		-	\$		_\$	0.02		
ALLOCATED AT	LLOWAN		M EPA:	COAL F	UEL										
Quantity		163,007		-		2,275	-						160,732		
Dollars	\$	3,686.91	\$		\$	51.46	S		-	\$	-	\$	3,635.45		
ALLOCATED A	LLOWAN		M EPA:	OTHER	FUELS										
Quantity		8,604		-		28			-				8,576		<u> </u>
Dollars	\$	194,60	\$		S	0.63	\$		-	\$	<u>-</u>	\$	193.97		
	·				1										
ALLOWANCES	FROM P	URCHAS	ES:				,			,					
From Market:					ļ							_			
Quantity	<u> </u>										<u> </u>	\bot	-		
Dollars	\$		\$		\$		\$		-	\$	-	\$			
\$/Allowance	S		\$	-	\$	-	\$			\$	-	\$			
From KU	1														
Quantity		-		-	1								_		
Dollars	. \$		\$		\$		\$		_	\$		\$			
\$/Allowance	\$	-	\$	-	S		\$			\$		\$	-		

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - 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 EMISSI	ON ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	CATIONS				
Quantity	7,559	84			0	0	7,643	-
Dollars	\$ 148.91	\$ 1.66	s -	· S -	\$	-	\$ 150.57	
\$/Allowance	\$ 0.02	\$ 0.02	\$ -	\$ -	\$	-	\$ 0.02	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL					
Quantity	7,393	84	_	-		_	7,477	True-up with EPA
Dollars	\$ 145.64	\$ 1.66	\$ -	\$ -	\$		\$ 147.30	
					1			
177 OC1 TED 1	Y Y OYN A NORCE PRO	OM EDA. OTHER	DIIDI C					
ALLOCATED A Quantity Dollars	LLOWANCES FRO	_	FUELS	\$	\$	-	\$ 3.27	
Quantity Dollars ALLOWANCES	166	\$ -	-		\$			
Quantity Dollars ALLOWANCES From Market;	166 \$ 3.27 FROM PURCHAS	\$ -	S -	S -		-	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity	FROM PURCHAS	ES:	S -	S -	0		\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars	166 \$ 3.27 FROM PURCHAS 0 \$	ES: 0	S -	\$	0 \$	0	\$ 3.27 0 \$	
Quantity Dollars ALLOWANCES From Market: Quantity	FROM PURCHAS	ES:	S -	S -	0 \$	- 0	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance	166 \$ 3.27 FROM PURCHAS 0 \$	ES: 0	S -	\$	0 \$	0	\$ 3.27 0 \$	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	166 \$ 3.27 	ES: 0 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3	S - 0 S - S	\$ \$ \$	0 \$	0	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	166 \$ 3.27 	ES: 0 3 - 3 - 3 - 0	S - 0 S S C C	\$ \$ \$	0 s s	0	\$ 3.27	
Quantity Dollars ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	166 \$ 3.27 	ES: 0 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3 - 3	S - 0 S - S	\$ \$ \$	0 \$ \$	0	\$ 3.27	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of March 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
OTAL EMISSIO	N ALLOWANCES						
uantity	11,938	0	1,200	3	0	10,735	
Dollars	\$ -	\$ -	S -	\$ -	-	S -	
Allowance	\$ -	\$ -	S -	\$ -	-	\$ -	
		,					
LLOCATED AL	LIOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	11,815		1,200	-		10,615	
Dollars	\$ -	\$ -	\$ -	-	\$ -	S -	
		•				<u> </u>	
LLOCATED AT	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	123	_		3	1 .	120	
Dollars	s -	\$ -	s -	\$ -	S -	\$ -	
			-				
						,	
ALLOWANCES 1	FROM PURCHAS	ES:					
rom Market:		1	1		1		
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$	S -	\$ -	\$ -	
\$/Allowance	\$ -	s -	\$ -	S -	\$ -	\$ -	
	<u></u>						· · · · · · · · · · · · · · · · · · ·
rom KU:		1		1			
Quantity	0	0	0	0	0	0	
	\$ -	\$ -	s -	\$ -	\$ -	s -	
				1 -			1
Dollars \$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	S -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2010

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	431,957
10th Previous Month		443,322
9th Previous Month		575,403
8th Previous Month		425,094
7th Previous Month		508,389
6th Previous Month		601,705
5th Previous Month		· 371,225
4th Previous Month		370,063
3rd Previous Month		611,664
2nd Previous Month		435,407
Previous Month		468,423
Current Month		583,346
Total 12 Month O&M	\$	5,825,998

Determination of Working Cap	ital Allowa	nce	
12 Months O&M Expenses	\$		5,825,998
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		728,250

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
001 Plan				
506104 - NOx Operation - Consumables	and the second s	103,404.68	62,005.20	165,409.88
506105 - NOx Operation Labor and Other		3,358.50	4,985.93	8,344.43
512101 - NOx Maintenance		26,062.46	9,978.45	36,040.9
Total 2001 Plan O&M Expenses		132,825.64	76,969.58	209,795,22
005 Plan				
502006-Scrubber Operations	Water by the same of the		43,087.59	43,087.59
512005-Scrubber Maintenance	建筑 的经验。		87,434.14	87,434.1
Ashpond Dredging Expense		171,471.16		171,471.1
Total 2005 Plan O&M Expenses		171,471.16	130,521.73	301,992.8
006 Plan				
506109 - Sorbent Injection Operation		~	71,514.31	71,514.3
512102 - Sorbent Injection Maintenance			43.74	43.7
506110 - Mercury Monitors Operation	-	- 1	-	
512103 - Mercury Monitors Maintenance	-	-	-	-
502006 - Scrubber Operations	建筑公司等实现的对对对	enatos a compressión de la compressión		
512005 - Scrubber Maintenance			-	
506104 - NOx Operation — Consumables			-	
506105 - NOx Operation — Labor and Other	SANDARD DE LA FRANCE	hali da walanza walancea	-	-
512101 - NOx Maintenance			-	
506001 - Precipitator Operation			-	
506111 - Activated Carbon				· -
512011 - Precipitator Maintenance	A CHEET A STATE A		- 1	-
Total 2006 Plan O&M Expenses	\$ -	<u> </u>	71,558.05	71,558.0
2009 Plan	-			
502012 - ECR Landfill Operations	- <u>-</u> ;		-	
512105 - ECR Landfill Maintenance	-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	
Current Month O&M Expense for All Plans	Τ\$ -	304,296.80	279.049.36 1	583,346.

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
D. Let COD Discours In 2004 Discours Desired		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		· · · · · · · · · · · · · · · · · · ·
(1) 12 Months Ending with Expense Month	Ψ	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station	- 	
(4) Monthly Expense [(2) + (3)]	\$ -	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$.	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	\$ -	-

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: 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			\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
				3
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)		· .		,
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	
Beneficial Reuse in Base Rates	3			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ -	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$ -	13 -	1\$ -	1\$ -

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: March 31, 2010

				Non- Jurisdictional Revenues	Total Compan	y Revenues				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)	
Apr-09	48,311,610	4,594,071	714,725	698,050	54,318,456	53,620,406	11,572,181	65,890,637	65,192,587	
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,452	
Jun-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,685	
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,631	
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714	
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924	
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696	
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749	
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719	
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517	
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901	
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266	
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month, S 63,776,579 Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations):									
		Revenues Divided by Exp			(7) / Column (10) =				88.90%	
							Note 1 - Exclude: To	s Brokered Sales, tal for Current Month =	\$ 128,530.33	

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2010

	Revenues per	R	evenues per
	 Form 3.00	Inco	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 60,197,936	\$	60,197,936
Fuel Adjustment Clause	\$ 1,038,847	\$	1,038,847
DSM	\$ 1,284,971	\$	1,284,971
Environmental Surcharge		\$	1,403,818
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 62,521,754		-
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 7,802,512	\$	7,802,512
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,802,512	<u> </u>	· · · · · · · · · · · · · · · · · · ·
Total Company Revenues for Environmental Surcharge Purposes =	\$ 70,324,266		
Reconciling Revenues			
Brokered	\$ 128,530	\$	128,530
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	(8,977,426
Miscellaneous		\$	1,287,801
Total Company Revenues per Income Statement =		\$	64,166,989



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

MAY 17 2010 PUBLIC SERVICE

COMMISSION

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

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

May 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,998,563

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

3.12%

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

Submitted by:

Title: Director, Rates

Date Submitted: May 17, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of April 2010

Calculation of Total E(m)

E(m) = [(RB / 12) (ROR + (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							

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

Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

· .	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

110cccd3110m By 110ddct und 1110mance Bares			
	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 34,460	\$ 223,921	\$ (189,461)
Scrubber By-Products Sales	-		-
Total Proceeds from Sales	\$ 34,460	\$ 223,921	\$ (189,461)

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	Plant In Tax Balance Service as of		Tax Balance ITC Amortization Credit		Monthly epreciation Expense	Monthly Property Tax Expense	
	T							(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	192,860,844	\$	37,126,515	\$	-	\$	155,734,329	\$	13,922,138	_	\$	617,234	\$	19,775
Subtotal	\$	192,860,844	\$	37,126,515	\$	-	\$	155,734,329	\$	13,922,138		\$	617,234	\$	19,775
Less Retirements and Replacement resulting from implementation of 2001 Plan	s	(5,850,965)	\$	(2,914,284)	\$	-	\$	(2,936,681)	\$	(1,053,265)		s	(13,202)	\$	(341)
Net Total - 2001 Plan:	S	187,009,879	\$	34,212,231	\$	-	\$	152,797,648	\$	12,868,873		\$	604,032	\$	19,435
												T			
2003 Plan:															
Project 7 - Mill Creek FGD Scrubber Conversion	\$	30,861,686		9,126,959		-	\$	21,734,727		1,063,625		\$	103,474		2,769
Project 8 - Precipitator Upgrades - All Plants	\$	11,929,133	\$	2,735,234		-	\$	9,193,899		939,796		\$	47,792		1,173
Project 9 - Clearwell Water System - Mill Creek	\$	1,197,310		417,861	\$	-	\$	779,449		30,055		\$	3,702		99
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$	2,734,620	\$	1,174,748	\$	-	\$	1,559,872	\$	79,361		\$	8,614	8	199
Subtotal	\$	46,722,749	\ S	13,454,802	s	-	\$	33,267,947	\$	2,112,836		\$	163,582	\$	4,240
Less Retirements and Replacement resulting		,,	'	,	1			, ,			1	1	•		,
from implementation of 2003 Plan	\$	(7,839,520)	\$	(6,665,432)	\$	-	\$	(1,174,088)	s	(796,041)		\$	(27,125)	\$	(387
Net Total - 2003 Plan:	\$	38,883,229	\$	6,789,370	\$		\$	32,093,859	\$	1,316,794		\$	136,457	\$	3,853
2005 71					Π		Π							T	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek	s	4,607,107		338,266		1,356,666		5,625,507	•	203,069			9,741		700
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	4,730,568		253,792		52,594		4,529,369		227,039		5	8,397		56
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	18	850,100		71,643		52,574	S	778,457		67,209		\$	2,564		9
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s	308,507		35,629		-	s	272,878		17,348		s	1,147		3
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s	-	s	,	\$	-	\$	-	s	-		\$	_	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,075,907	\$	-	\$	6,285,170	\$	947,767		\$	22,206	\$	79
Subtotal	s	17,857,360	18	1,775,238	18	1,409,259	18	17,491,382	\$	1,462,432		1 \$	44,055	2	2,19
Less Retirements and Replacement resulting	٦	17,057,500	"	1,775,250	"	1,407,237	"	17,451,502	"	1,402,432		1	44,055		2,17
from implementation of 2005 Plan	\$	(1,191,665)	\$	(548,068) s	-	s	(643,598)	\$	(131,696)		\$	(3,438	s) s	(8
Net Total - 2005 Plan:	- \$	16,665,695	18	1,227,170	Ts	1,409,259	18	16,847,784	15	1,330,736		\$	40,616	5 \$	2,11

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

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

Inventory of Emission Allowances

For the Month Ended: April 30, 2010

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of April 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	ES IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	169,308		2,822	0	0		
Dollars	\$ 3,829.42	. \$ -	\$ 63.84	\$ -	\$ -	\$ 3,765.58	
\$/Allowance	\$ 0.02	. \$ -	\$ 0.02	\$ -	-	\$ 0.02	
		OM EPA: COAL F				_	
Quantity	160,732		2,784			157,948	
Dollars	\$ 3,635.45	5 \$ -	\$ 62.98	\$ -	\$ -	\$ 3,572.47	
						÷ .	
		OM EPA: OTHER			·		
Quantity	8,57		38		-	8,538	
Dollars	\$ 193.9	7 \$ -	\$ 0.86		\$ -	\$ 193.11	
					<u> </u>		
	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	one.			•		•
	FROM PURCHA	SES:	1			T	T
From Market:	<u> </u>						
Quantity		-	-	-		-	
Dollars	\$ -	\$ -		-		\$ -   \$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -		
777		-1				T	1
From KU							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ - \$ -	\$ -	
\$/Allowance	\$ -		\$ -	-		-	
							·

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of April 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS				
Quantity	7,643	0	0			. 0	7,643	
Dollars	\$ 150.57	\$ -	\$ -	\$ -	\$	-	\$ 150.57	
\$/Allowance	\$0.02	\$ -	\$ -	\$ -	\$ .	_	\$ 0.02	
ALLOCATED AI	LLOWANCES FRO	OM EPA: COAL F	UEL					
Quantity	7,477	_	·			-	7,477	
Dollars	\$ 147.30	\$ -	\$ -	\$ -	\$ .	_	\$ 147.30	
ATTOCATEDAD	T OWANCES ED	OM EDA. OTHED	TITLE C					
Quantity	166 \$ 3.27		FUELS -	\$ -	\$	-	\$ 3.27	
Quantity Dollars  ALLOWANCES	166	\$ -			\$	-		
Quantity Dollars  ALLOWANCES From Market:	166 \$ 3.27 FROM PURCHAS	-   \$ -   	\$ -	\$ -			\$ 3.27	
Quantity Dollars  ALLOWANCES From Market; Quantity	166 \$ 3.27 FROM PURCHAS	- \$ SES:	\$ -	\$ -		0	3.27	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	166 \$ 3.27 FROM PURCHAS 0 \$ -	ES: 0 \$ -	0 \$ -	\$ -	)   \$	0	\$ 3.27	
Quantity Dollars  ALLOWANCES From Market; Quantity	166 \$ 3.27 FROM PURCHAS	- \$ SES:	\$ -	\$ -		0	3.27	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	166 \$ 3.27 FROM PURCHAS 0 \$ -	ES: 0 \$ -	0 \$ -	\$ -	)   \$	0	\$ 3.27	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$/Allowance From KU:	166  \$ 3.27 	ES:  0 \$ -	0 \$ -	\$ - \$ - \$ -	\$ \$	0	\$ 3.27	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	166 \$ 3.27 FROM PURCHAS 0 \$ -	ES: 0 3 - 0 3 - 3	0 \$ -	\$ - \$ - \$ -	)   \$	0	\$ 3.27	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2010

	Beginning	Allocations/	Utilized		Utilized				Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTOR	Y, ALL CLASS	<b>IFICAT</b>	TIONS					
Quantity	10,735		1,	029	1		0		9,705	
Dollars	\$ -	\$ -	\$	- \$	-	\$	-	\$	-	
\$/Allowance	\$ -	\$ -	\$	- \$	-	\$	-	\$	-	,
		*								
	LLOWANCES FR									
Quantity	10,615			029					9,586	
Dollars	\$ -	\$ -	\$	- \$	-	\$	_	\$	-	
		]								•
	LLOWANCES FR		RFUELS							
Quantity	120			-	. 1	1	-	_	119	
Dollars	\$ -	\$ -	\$	- \$	<u> </u>	\$		\$		
		~~~								
	FROM PURCHA	SES:	<u> </u>					_		
From Market:								+-		
Quantity	(0	0	0		0	+	0	
Dollars	\$ -	\$ -	\$	- \$		\$		\$	-	
\$/Allowance	-	\$ -	\$	- \$	-	\$		\$	-	
Y2 Y27 Y		1								
From KU:								-		,
Quantity			0	0	0		0	-	0	
Dollars	\$ -	\$ -	\$	- \$		\$		\$	-	
\$/Allowance	-	\$ -	\$	- \$	-	\$		\$	-	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2010

Environmental Co	ompliance Plan	
O&M Expenses	A	mount
11th Previous Month	\$	443,322
10th Previous Month		575,403
9th Previous Month		425,094
8th Previous Month	1	508,389
7th Previous Month		601,705
6th Previous Month		371,225
5th Previous Month		370,063
4th Previous Month		611,664
3rd Previous Month		435,407
2nd Previous Month		468,423
Previous Month		583,346
Current Month		757,288
Total 12 Month O&M	\$	6,151,329

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
Octil Expolise recount	Cane Run	Will Clock	Trinible County	10141
2001 Plan				
506104 - NOx Operation — Consumables		190,602.87	76,259.08	266,861.95
506105 - NOx Operation Labor and Other	1000 PRESENTED TO THE	7,911.20	6,647.81	14,559.01
512101 - NOx Maintenance		29,168.71	51,000.61	80,169.32
Total 2001 Plan O&M Expenses		227,682.78	133,907.50	361,590.28
2005 Plan				
502006-Scrubber Operations			39,926.08	39,926,08
512005-Scrubber Maintenance			60,625.96	60,625.96
Ashpond Dredging Expense		171,471.16		171,471.16
Total 2005 Plan O&M Expenses		171,471.16	100,552.04	272,023.20
2006 Plan				
506109 - Sorbent Injection Operation		· -	123,147.44	123,147.44
512102 - Sorbent Injection Maintenance		-	527.24	527.24
506110 - Mercury Monitors Operation		-	-	· -
512103 - Mercury Monitors Maintenance	-	-		
502006 - Scrubber Operations				-
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation — Consumables			-	
506105 - NOx Operation Labor and Other			-	- .
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon				-
512011 - Precipitator Maintenance		Children Children	-	-
Total 2006 Plan O&M Expenses	\$ -		123,674.68	123,674.68
2009 Plan				
502012 - ECR Landfill Operations		AND THE PERSON AND TH	- 1	-
512105 - ECR Landfill Maintenance	_		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	-
			250 101 - 2	
Current Month O&M Expense for All Plans		399,153.94	358,134.22	757,288.16

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M	
	·			
Total Monthly Benef	icial Reuse Expense		\$ -	
	ficial Reuse in Base Rates (from ES Form 2	.61)	\$ -	
Net Beneficial Reuse O&M Expense \$				

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2010

			Non- Jurisdictional Revenues	Total Compan	y Revenues				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge (9)-(5)
May-09	50,442,615	4,674,018	666,606	931,685	56,714,924	55,783,239	14,535,213	71,250,137	70,318,452
Jun-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,685
Jul-09	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609	88,238,099	86,881,631
Aug-09	72,375,034	2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714
Sep-09	. 68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	. 78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
Average Monthly J	hly Jurisdictional Revenues, Excluding Environmental Surcharge,								333744 STATE
	r 12 Months Ending Current Expense Month.								
	urisdictional 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) =							84.15%	
zako igazia. Kaszania							Note 1 - Exclude To	s Brokered Sales, otal for Current Month =	\$ 230,928.00

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2010

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





JUN 18 2010

PUBLIC SERVICE COMMISSION

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

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

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

June 18, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,031,640

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

1.61%

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

Submitted by:

Title: Director, Rates

Date Submitted: June 18, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of May 2010

Calculation of Total E(m)

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

		Enviror	umental Compliance Plans
(1) RB		= \$	238,038,338
(2) RB/12		=	19,836,528
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	=	10.97%
(4) OE		=	1,280,583
(5) BAS		· =	· · · · ·
(6) BR		==	- ,
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	3,456,650

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

•	Enviromental Co	mpliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	48,136,185	
Subtotal	\$	296,582,561
Additions:	·	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Cash Working Capital Allowance	769,473	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal		769,473
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	43,404,879	
Pollution Control Deferred Income Taxes	15,908,817	
Subtotal		59,313,696
Environmental Compliance Rate Base	\$	238,038,338

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 447,773
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	, .
Amortization of Monthly Mill Creek Ash Dredging	4 5
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 1,280,583

Determination of Beneficial Reuse Operating Expenses

	Environn	nental
	Complian	ce 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	Amount in		Net	
	Pro			e Rates		Proceeds
	(1)		(2)			(1) - (2)
Allowance Sales	\$		\$	-	\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	•	\$		\$	-

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	٠	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 5/31/2010	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	Pı	Monthly roperty Tax Expense
							(2)-(3)+(4)						
2001 Plan: Project 6 - LGE NOx	\$ 192,860	0,844	\$ 37,743,749	\$	-	\$	155,117,095	\$ 13,988,953		s	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting	\$ 192,860),844			-	S	155,117,095	,		S	617,234		19,775
from implementation of 2001 Plan	\$ (5,85)	0,965)	\$ (2,914,284)	\$	-	\$	(2,936,681)	\$ (1,053,265		\$	(13,202)	\$	(341)
Net Total - 2001 Plan:	\$ 187,00	9,879	\$ 34,829,465	s	-	\$	152,180,414	\$ 12,935,688		\$	604,032	S	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ 11,92 \$ 1,19	1,686 9,133 7,310 4,620	\$ 2,783,026 \$ 421,563	\$ \$ \$	- - - -	\$ \$ \$	21,631,253 9,146,107 775,747 1,551,258	\$ 939,337 \$ 30,376		\$ \$ \$	103,474 47,792 3,702 8,614	s s	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan		2,749 9,520)	,,	1	-	s s	33,104,365			s s	163,582 (27,125)	ĺ	4,240
Net Total - 2003 Plan:	\$ 38,88	3,229	\$ 6,952,952	\$	-	\$	31,930,277	\$ 1,324,45	8	1.\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ 4,73 \$ 85 \$ 30 \$ 7,36	0,100	\$ 262,189 \$ 74,207 \$ 36,775 \$ - \$ 1,098,113	\$ \$ \$ \$	1,367,011 54,540 - - - - 1,421,551	\$ \$ \$ \$	5,626,111 4,522,919 775,893 271,732 - 6,262,964 17,459,619 (643,598)	\$ 233,48 \$ 69,26 \$ 17,51 \$ - \$ 964,79	4 2 9 8 2	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055 (3,438	\$ \$ \$ \$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan:	\$ 16.66	55,695	\$ 1,271,224	T s	1,421,551	T S	16,816,022	\$ 1,361,99	6	I S	40,616	T S	2,114

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2010

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

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

Inventory of Emission Allowances

For the Month Ended: May 31, 2010

Vintage Year	Nur	mber of Allowand	ces	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	МОх	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	163,426	8,496	6,434	\$ 3,696.36	\$ -	\$ 126.75	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				·
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379				'		
2021	62,379						
2022	62,379						-
2023	62,379						,
. 2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						·
2030 - 2039	623,790						

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of May 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years							
TOTAL EMISSI	TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS													
Quantity	166,486	. 0	3,060	0	0	163,426								
Dollars	\$ 3,765.58	\$ -	\$ 69.22	\$ -	\$ -	\$ 3,696.36								
\$/Allowance	\$ 0.02		\$ 0.02	\$ -	\$ -	\$ 0.02								
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL														
Quantity	157,948	-	3,015			154,933								
Dollars	\$ 3,572.47	\$ -	\$ 68.21	\$ -	\$ -	\$ 3,504.26								
	LLOWANCES FRO					9 402								
Quantity	8,538		45		-	8,493								
Dollars	\$ 193.11	\$ -	\$ 1.01	\$ -	\$ -	\$ 192.10								
	FROM PURCHAS	ES:	-											
From Market:														
Quantity	-	-	-	-	-	-								
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ - \$ -								
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	-								
From KU	T	T	T	T	1	T	1							
Quantity		 	 	_		 								
	- \$ -	\$	s -	\$ -	\$ -	\$ -								
		ΙΦ	Φ -											
Dollars		e	\$	l ¢	I &	18 -	•							
	\$ -	\$ -	\$ -	\$ -	-	\$ -								

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of May 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			·
Quantity	7,643	0	1,198	11	0	6,434	
Dollars	\$ 150.57	\$ -	\$ 23.60		\$ -	\$ 126.75	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
ALLOCATED AI	LOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	7,477	-	1,198	-	-	6,279	
Dollars	\$ 147.30	\$ -	\$ 23.60	\$ -	\$ -	\$ 123.70	
		·					
	LLOWANCES FRO		1	11		155	
Quantity			-		-		
Dollars	\$ 3.27	\$ -	\$ -	\$. 0.22	\$ -	\$ 3.05	
ALLOWANCES From Market:	FROM PURCHAS	ES:	1				
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	S -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:							
Quantity	0	0	. 0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2010

	D. :	A 11+i/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Beginning	Allocations/ Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	Inventory	Purchases	(Coai ruei)	(Other Fuels)	3010	Hiveinory	Sale Date & Village Tears
momax extent	NAT A CANADICIE	C IN INVENITABLE	, ALL CLASSIFIC	ATTONE			
				11	0	8,496	
Quantity	9,705	0	1,198		0		
Dollars	\$ -	\$ -	\$ -	\$ -	Φ.		
\$/Allowance	\$ -	-	\$ -	\$ -	-	\$ -	
ALLOCATED AI	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	9,586		1,198		-	8,388	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	A ONLANCES ED	OM ED 4. OTHER	TEXT C				
	LLOWANCES FRO		T	11	1	108	
Quantity	119		-				
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	-	
	<u> </u>			l		1	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:	1	T			T		
Quantity	0	0	0	0	0	0	:
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	S -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:				I			
Quantity	0	0	0	0	0	. 0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
						<u></u>	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

O&M Expense Account	⁵ Cane Run	Mill Creek	Trimble County	Total
2001 M.				
2001 Plan 506104 - NOx Operation — Consumables	\$155 Me WARREN - 150 A 159 A 159 A 15	193,405.76	47,015.69	240,421.45
506105 - NOx Operation Labor and Other	The state of the s	5,455.69	3,793.15	9,248.84
512101 - NOx Maintenance		5,738.23	8,608.34	14,346.57
Total 2001 Plan O&M Expenses		204,599.68	59,417.18	264,016.86
2005 Plan				•
502006-Scrubber Operations	The second second second		36,992.82	36,992.82
512005-Scrubber Maintenance	(A. A. Martin (A. A. Martin)	Control of the Contro	58,311.63	58,311.63
Ashpond Dredging Expense		-		_
Total 2005 Plan O&M Expenses		-	95,304.45	95,304.45
2006 Plan 506109 - Sorbent Injection Operation		_	88,398.15	88,398.15
512102 - Sorbent Injection Maintenance			53.54	53.5
506110 - Mercury Monitors Operation	·	-	33.34	33,30
				
512103 - Mercury Monitors Maintenance	# (44) 45-11-11-11-11-11-11-11-11-11-11-11-11-11	The state of the s		
502006 - Scrubber Operations 512005 - Scrubber Maintenance		1000	-	
		1823 E. W.		-
506104 - NOx Operation — Consumables	-4.5			
506105 - NOx Operation — Labor and Other				
512101 - NOx Maintenance		No. 2. (1) (1) (1) (1)		-
506001 - Precipitator Operation		The Asian Salah	-	-
506111 - Activated Carbon				And
512011 - Precipitator Maintenance Total 2006 Plan O&M Expenses	-		88.451.69	88.451.6
Total 2006 Flan O&M Expenses	13		88,431.09	00,431.0
2009 Plan			•	
502012 - ECR Landfill Operations	-		-	
512105 - ECR Landfill Maintenance	_		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			-
Net 2009 Plan O&M Expenses			-	-
Current Month O&M Expense for All Plans	-	204,599.68	243,173.32	447,773.0

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2010

	Kentucky Jurisdictional Revenues					Non- Jurisdictional Revenues	ctional Total Company Revenues		
(1)	(2)	· (3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
T 00	66.019.902	4 000 067	040 242	1.625.200	(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Jun-09 Jul-09	66,018,892	4,900,967	940,243	1,535,289	73,395,391	71,860,102	7,917,583	81,312,974	79,777,685
	75,660,981	2,447,088 2,006,115	1,074,953	1,356,468	80,539,490	79,183,023	7,698,609	88,238,099	86,881,631
Aug-09	72,375,034		1,028,955	835,493	76,245,596	75,410,104	6,731,611	82,977,207	82,141,714
Sep-09	68,118,532	(1,093,633)	975,907	336,310	68,337,116	68,000,805	7,998,118	76,335,233	75,998,923
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,145	67,641,718
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572		7,802,512	71,728,084	70,324,266
Apr-10		255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10		1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
for 12 Months Endi	ing Current Expense Mo					\$ 64,093,415			
		rrent Month (Environme Revenues Divided by Exp			ı (7) / Column (10) =				85.36%
	Note 1 - Excludes Brokered Sales, Total for Current Month =					\$ 221,498.96			

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2010

		Revenues per	R	evenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	54,313,958	\$	54,313,958
Fuel Adjustment Clause	\$	1,317,675	\$	1,317,675
DSM	\$	1,218,972	\$	1,218,972
Environmental Surcharge			\$	572,800
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	56,850,605		
Non -Jurisdictional Revenues				
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	9,752,830	\$	9,752,830
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	9,752,830		
Total Company Revenues for Environmental Surcharge Purposes =	\$	66,603,436		
Reconciling Revenues				
Brokered	\$	221,499	\$	221,499
InterSystem (Transmission Portion Booked in Account 447)		•	\$	-
Unbilled	1		\$	11,555,913
Miscellaneous			\$	1,141,443
Total Company Revenues per Income Statement =			\$	80,095,090



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

RECEIVED

JUL 19 2010

PUBLIC SERVICE COMMISSION

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

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

July 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

(69,298)

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

-0.11%

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

Submitted by:

Title: Director, Rates

Date Submitted: July 19, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of June 2010

Calculation of Total E(m)

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

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

Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	· = \$	93.53%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	Ψ	3,213,930
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	***	-
(11)	Prior Period Adjustment (if necessary)	702	(178,957)
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	3,034,973
(13)	Revenue Collected through Base Rates	= \$	3,104,271
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(69,298)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	64,794,282
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	-0.11%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

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

Proceeds From By-Product and Allowance Sales

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2010

(1)		(2)		(3)		(4)		(5)	(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible · Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 6/30/2010	Monthly ITC Amortization Credit	I	Monthly Depreciation Expense]	Monthly Property Tax Expense
								(2)-(3)+(4)						
2001 Plan: Project 6 - LGE NOx	s	192,860,844	s	38,360,983	\$	-	\$	154,499,861	\$ 14,055,769		s	617,234	s	19,775
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	192,860,844 (5,850,965)		38,360,983 (2,914,284)		-	\$	154,499,861 (2,936,681)	,		s s	617,234 (13,202)		19,775
Net Total - 2001 Plan;	 \$. 187,009,879	\$	35,446,699	\$		\$	151,563,180	\$ 13,002,504		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	30,861,686 11,929,133 1,197,310 2,734,620	\$ \$	9,333,907 2,830,819 425,265 1,191,976	\$	- - - -	\$ \$ \$	21,527,779 9,098,314 772,045 1,542,644	\$ 938,878 \$ 30,688		\$ \$ \$	103,474 47,792 3,702 8,614	\$ \$ \$	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s s	46,722,749 (7,839,520)		13,781,966 (6,665,432)		-	\$	32,940,783 (1,174,088)			\$	163,582 (27,125		4,240
Net Total - 2003 Plan:	\$	38,883,229	\$	7,116,534	\$	-	\$	31,766,695	\$ 1,332,12	1	\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077	\$ \$ \$ \$	357,748 270,586 76,772 37,922 - 1,120,319	\$ \$ \$ \$ \$	1,507,194 66,634 - - - - 1,573,828	\$ \$ \$ \$	5,756,554 4,526,616 773,328 270,585 - 6,240,758	\$ 239,92 \$ 71,31 \$ 17,68 \$ - \$ 981,82	9 5 9 8	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$ \$	797 2,193
from implementation of 2005 Plan	\$	(1,191,665)		(548,068)		-	\$	(643,598)			\$	(3,438	1	(80
Net Total - 2005 Plan:	\$	16,665,695	\$	1,315,279	\$	1,573,828	1\$	16,924,244	\$ 1,393,25	6	\$	40,610	5 \$	2,114

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 6/30/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ - \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 122,358	\$ -		\$ 192,759 \$ 38,229		\$ - \$ 9,777 \$ 8,867 \$ 1,361	\$ 5,441 \$ 414 \$ 248 \$ 43
Subtotal	\$ 5,887,574	\$ 371,242	\$ 45,177,320	\$ 50,693,652	\$ 298,195		\$ 20,005	\$ 6,145
Less Retirements and Replacement resulting from implementation of 2006 Plan	s -	s -	s -	s -	s -		s -	s -
Net Total - 2006 Plan:	\$ 5,887,574	\$ 371,242	\$ 45,177,320	\$ 50,693,652	\$ 298,195		\$ 20,005	\$ 6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s - s - s -	\$ - \$ - \$ - \$ -	\$ 298,307 \$ 1,321,507 \$ 916,219 \$ -	\$ 1,321,507	s -	-	S - S - S -	\$ 33 \$ 120 \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s - s -	\$ - \$ -	\$ 2,536,033 \$ -	\$ 2,536,033	s -		s -	\$ 153 \$ -
Net Total - 2009 Plan:	\$ -	\$ -	\$ 2,536,033	\$ 2,536,033	s -		\$ -	\$ 153
Net Total - All Plans:	\$ 248,446,376	\$ 44,249,755	\$ 49,287,181	\$ 253,483,803	\$ 16,026,076	i	\$ 801,110	\$ 31,700

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: June 30, 2010

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	ALL CLASSIEIC	ATIONS			
Quantity	163,426		3,625	0	0	159,801	
Dollars	\$ 3,696.36		\$ 82.00	\$ -	\$ -	\$ 3,614.36	
\$/Allowance	\$ 3,090.36		\$ 0.02	\$	\$ -	\$ 3,014.30	
\$/Allowance	1 5 0.02	-	3 0.02	3	3 -	1 \$ 0.02	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	154,933	-	3,584			151,349	
Dollars	\$ 3,504.26			\$ -	\$ -	\$ 3,423.20	
				·			
ALLOCATED A	LLOWANCES FR 8,493	OM EPA: OTHER	FUELS 41		T -	8,452	
Dollars	\$ 192.10	\$ (0.02)	\$ 0.92	-	\$ -	\$ 191.16	
	I		1				
ALLOWANCES	FROM PURCHAS	SES:					
From Market:							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$	\$ -	\$ -	,
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
			,				

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of June 2010

	Beginning	Allocations/	Utilized	Utilized	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	50IQ	inventory	Sale Date & Village Tears
COTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	6,434	0	1,382	17	0	5,035	
Dollars	\$ 126.75	\$ -	\$ 27.22	\$ 0.33		\$ 99.20	
Allowance	\$ 0.02					\$ 0.02	
ATTOCATED AT	I OWANCES ERO	OM EPA: COAL F	mer.			,	
Quantity	6,279	-	1,382	-	-	4,897	
Dollars	\$ 123.70		\$ 27.22	\$ -	\$ -	\$ 96,48	
DOMESTO	123.70						
ALLOCATED AI	LOWANCES FRO	OM EPA: OTHER	FUELS -	17	_	138	
Dollars	\$ 3.05	\$ -	\$ -	\$ 0.33	\$ -	\$ 2.72	
Donais	3.03	1	-				
	FROM PURCHAS	ES:	•				
rom Market:							
Quantity	. 0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	-	-	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	-	\$ -	
From KU:				I	T		
Quantity	0	0	0	0	0	0	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dollars				-	\$ -	\$ -	
Dollars \$/Allowance	\$ -	\$ -	-	1 8			1

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of June 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	1 Hivelitory	1 dichases	(Coar ruci)	(Other ruess)	3014	livelitory	bale Date & Vintage Tears
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	. ALL CLASSIFIC	ATIONS			
Quantity	8,496	0	1,382	17	0	7,097	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F					
Quantity	8,388	-	1,382	_	_	7,006	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
							•
	LLOWANCES FRO		FUELS	•		,	
Quantity	108		-	17	-	91	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		<u> </u>		L			·
	TO ONE DAID ON	270					
	FROM PURCHAS	ES:	T		1	1	
From Market:	1	ļ	ļ			ļ	
Quantity Dollars	\$ -	+	1	0			
\$/Allowance	\$ -	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	0		\$ -	\$ - \$ -	
\$/Allowance	1 2 -				2	-	
From KU:	1	T	1		1	1	<u> </u>
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	6	\$ -	\$ -	
\$/Allowance	•	\$ -	\$ -	- S -	\$ -	\$ -	
ψ/ Fillowalioc	13 ~ -	T.a	1 4	1 9 -	ΙΨ -		

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2010

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation — Consumables	Contract of the second state of the	158,865.61	43,794.25	202,659.86
506105 - NOx Operation Labor and Other		5,687.16	4,154.60	9,841.76
512101 - NOx Maintenance	THE RESIDENCE OF STREET	47,626.15	11,079.81	58,705.96
Total 2001 Plan O&M Expenses		212,178.92	59,028.66	271,207.58
2005 Plan			•	
502006-Scrubber Operations	Mary and the second	All Systems	19,518.71	19,518.71
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses			19,518.71	19,518.71
2006 Plan				
506109 - Sorbent Injection Operation	ARTHUR TO THE TOTAL STREET	-	94,801.41	94,801.4
512102 - Sorbent Injection Maintenance	ANTE LONG CONTRACT	-	260.79	260.7
506110 - Mercury Monitors Operation	-	-	-	-
512103 - Mercury Monitors Maintenance	-	40,271.00	-	40,271.0
502006 - Scrubber Operations			-	-
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation — Consumables			-	-
506105 - NOx Operation — Labor and Other			-	-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation	Water to the control of the control	100 miles	-	-
506111 - Activated Carbon			- 1	-
512011 - Precipitator Maintenance		All the Market of Male	-	-
Total 2006 Plan O&M Expenses	\$ -	40,271.00	95,062.20	135,333.2
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	When the said	-	
Net 2009 Plan O&M Expenses			-	_
Current Month O&M Expense for All Plans	1\$ -	1 252,449.92	173,609.57	426,059.4

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
D. 11. (CCD.D.) T. (1111. (D. 2000 Dl., D. 1)		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	6	0
(1) 12 Months Ending with Expense Month		- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	- \$
Total Generating Station	· · · · · · · · · · · · · · · · · · ·	
(4) Monthly Expense [(2) + (3)]	\$ -	\$
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	1\$ -	- \$

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
		~	
		 	
	A CONTRACTOR OF THE CONTRACTOR		
Total Monthly Ber	neficial Reuse Expense		\$ -
	eneficial Reuse in Base Rates (from ES Form 2.0	61).	\$ -
Net Beneficial Ret	use O&M Expense		\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2010

	Kentucky Jurisdictional Revenues							Total Compan	y Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (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	75,660,981	2,447,088	1,074,953	1,356,468	80,539,490	79,183,022	7,698,609.	88,238,099	86,881,631
Aug-09		2,006,115	1,028,955	835,493	76,245,596	75,410,103	6,731,611	82,977,207	82,141,714
Sep-09		(1,093,633)	975,907	336,310	68,337,116	68,000,806	7,998,118	76,335,234	75,998,924
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
for 12 Months End	Jurisdictional Revenues, I ling Current Expense Mo	nth.				\$ 64,794,282		Maria Maria Maria	and policies of the second of the
	cation Percentage for Cu Kentucky Jurisdictional R				(7) / Column (10) =				93,53%
	Note 1 - Excludes I							s Brokered Sales, otal for Current Month =	\$ 138,849.55

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2010

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

Exhibit 1

Louisville Gas and Electric Company

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

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

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

ES FORM 1.10

(77,820)

(77,820)

(77,820)

-0.12%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

Calculation of Total E(m)

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

	Environmen	April 2010 as filed			
(1) RB (2) RB/12 (3) (ROR + (ROR - DR) (TR / (1 - TR))) (4) OE (5) BAS (6) BR	= \$ = = = =	239,208,510 19,934,043 11,18% 1,328,722 -	\$ 239,219,439 \$ 19,934,953	(10,929) (910) (87,434) -	
(7) E(m) (2) x (3) + (4) - (5) + (6) of Jurisdictional Environmental Surcharge Billing Factor	. = \$	3,557,348	\$ 3,644,884 \$	(87,536)	

Jurisdictional Allocation Ratio for Expense Month ES Form 3,00	=		88,90%		88.90%	;
Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	\$	3,162,482	\$	3,240,302	
Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311	=		-			
Prior Period Adjustment (if necessary)	=		-		-	
Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	_		3,162,482		3,240,302	
Revenue Collected through Base Rates	=	\$	2,590,497	\$	2,590,497	į
Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue		_				
Collected Through Base Rates [(12) - (13)]	. ==	\$	571,985	\$	649,805	3
Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12						
Months Ending with the Current Expense Month ES Form 3,00		\$	63,776,579	\$	63,776,579	\$
	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 Prior Period Adjustment (if necessary) Adjusted Jurisdictional E(m) [(9) + (10) + (11)] Revenue Collected through Base Rates Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)] Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] = Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 = Prior Period Adjustment (if necessary) = Adjusted Jurisdictional E(m) [(9) + (10) + (11)] = Revenue Collected through Base Rates = Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)] = Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00 =	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] = \$ Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 = Prior Period Adjustment (if necessary) = Adjusted Jurisdictional E(m) [(9) + (10) + (11)] = Revenue Collected through Base Rates = \$ Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)] = \$ Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00 = \$	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] = \$ 3,162,482 Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 =	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] = \$ 3,162,482 \$ Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00311 =	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Com	pliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	Mark Control
Eligible Pollution CWIP Excluding AFUDC	47,262,768	
Subtotal	\$	295,709,144
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	717,321	
Deferred Debit Balance Mill Creek Ash Dredging	171,471	
Subtotal		888,792
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	41,715,128	
Pollution Control Deferred Income Taxes	15,674,298	
Subtotal		57,389,426
Environmental Compliance Rate Base	\$	239,208,510

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

	Environr	mental
	Complian	ice 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

1 Focceds From By-1 Foduct and Anowance Sales	Т.	otal	Ame	ount in	Net
		ceeds		e Rates	Proceeds
	(1)		(2)	(1) - (2)
Allowance Sales	\$	-	.\$	-	\$ -
Scrubber By-Products Sales		-		-	. =
Total Proceeds from Sales	\$	-	\$	-	\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

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

Environmental C	ompliance Plan
O&M Expenses	Amount
11th Previous Month	\$ 431,957
10th Previous Month	443,322
9th Previous Month	575,403
8th Previous Month	425,094
7th Previous Month	508,389
6th Previous Month	601,705
5th Previous Month	371,225
4th Previous Month	370,063
3rd Previous Month	611,664
2nd Previous Month	435,407
Previous Month	468,423
Current Month	495,912
Total 12 Month O&M	\$ 5,738,564

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
001 Plan				
506104 - NOx Operation — Consumables	MADE BUILDING THE STATE OF THE	103,404.68	62,005,20	165,409,88
506105 - NOx Operation — Labor and Other	Survival Total	3,358,50	4,985.93	8,344.43
512101 - NOx Maintenance	The Williams	26,062.46	9,978.45	36,040.91
Total 2001 Plan O&M Expenses		132,825.64	76,969.58	209,795.22
0005 Plan				
502006-Scrubber Operations	### 15 TO A 1 TO A		43,087.59	43,087.59
512005-Scrubber Maintenance			心,如此是他的动物"真"是"不	An a secondario estable
Ashpond Dredging Expense		171,471.16	The second second	171,471.16
Total 2005 Plan O&M Expenses		171,471.16	43,087.59	214,558.75
2006 Plan				
506109 - Sorbent Injection Operation	Harris and the control of the control of	-	71,514.31	71,514.3
512102 - Sorbent Injection Maintenance	计算要为	-	43.74	43.74
506110 - Mercury Monitors Operation	-	-	-	
512103 - Mercury Monitors Maintenance	-	-	-	-
502006 - Scrubber Operations	10.57.3536		-	-
512005 - Scrubber Maintenance	Elizabeth de la companya de la comp		-	-
506104 - NOx Operation Consumables	A SECTION AND A SECURITION		-	-
506105 - NOx Operation — Labor and Other	TO SERVICE SHOW			-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	_
512011 - Precipitator Maintenance	Access and the second second	need block american	-	-
Total 2006 Plan O&M Expenses		-	71,558.05	71,558.0
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	_
Net 2009 Plan O&M Expenses				_
		1 201207.00	101 (45 00 1	405 010
Current Month O&M Expense for All Plans	\$ -	304,296.80	191,615,22.	495,912.

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

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

Calculation of Total E(m)

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

			Environ	nental Compliance Plans	April 2010 as filed	
(1)	RB	. =	\$	238,586,409	\$ 238,604,916	\$ (18,507)
(2)	RB / 12	_ =		19,882,201	19,883,743	(1,542)
(3)	(ROR + (ROR - DR) (TR / (1 - TR)))	=		11,18%	11.18%	
(4)	0E	=		1,529,472	1,590,098	(60,626)
(5)	BAS	=		(189,461)	(189,461)	
(6)	BR	=		- 1	•	-
(7)	E(m) $(2) \times (3) + (4) - (5) + (6)$	=	\$	3,941,763	\$ 4,002,561	\$ (60,798)

Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Com	pliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	47,741,186	
Subtotal	\$	296,187,562
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		
Cash Working Capital Allowance	750,409	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal	第三	750,409
Deductions:	AND A STATE OF	Carrier States
Accumulated Depreciation on Eligible Pollution Control Plant	42,560,004	Maria de Propinsi
Pollution Control Deferred Income Taxes	15,791,558	
Subtotal		58,351,562
Environmental Compliance Rate Base	\$ 3	238,586,409

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 525,191
Monthly Depreciation & Amortization Expense	801,110
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	31,700
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	171,471
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
	7.70
Total Pollution Control Operations Expense	\$ 1,529,472

Determination of Beneficial Reuse Operating Expenses

		Environm	ental
		Complianc	e Plan
Total Monthly Beneficial Reuse Expense		\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	,		-
Net Beneficial Reuse Operations Expense		\$	-

Proceeds From By-Product and Allowance Sales

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2004 74				
2001 Plan		190,602.87	76,259.08	266,861.95
506104 - NOx Operation — Consumables		7,911.20	6.647.81	14,559.01
506105 - NOx Operation — Labor and Other	_april 12 and 12 and 13 and 15 an		51,000.61	80,169.32
512101 - NOx Maintenance		29,168.71 227,682,78	133,907.50	361,590.28
Total 2001 Plan O&M Expenses		227,082.78	133,907.30	301,390.20
2005 Plan				
502006-Scrubber Operations	\$18.70 ENGLISHED STREETS	一	39,926.08	39,926.08
512005-Scrubber Maintenance			CONTRACTOR OF THE MA	en et la companya de la
Ashpond Dredging Expense	化多二氯化物 医多种	171,471.16		171,471.16
Total 2005 Plan O&M Expenses		171,471.16	39,926.08	211,397:24
·				
2006 Plan	and the second second second second		123,147,44	123,147.44
506109 - Sorbent Injection Operation	_4)	<u> </u>	527.24	527.24
512102 - Sorbent Injection Maintenance		-		
506110 - Mercury Monitors Operation		-	-	
512103 - Mercury Monitors Maintenance	-	- Control of the control of the cont	-	_
502006 - Scrubber Operations			-	-
512005 - Scrubber Maintenance	_V			-
506104 - NOx Operation Consumables			-	-
506105 - NOx Operation Labor and Other			-	
512101 - NOx Maintenance		er en	-	
506001 - Precipitator Operation		1 - Cal H - 45	-	-
506111 - Activated Carbon		Section 1	-	-
512011 - Precipitator Maintenance				-
Total 2006 Plan O&M Expenses	-	-	123,674.68	123,674.68
2009 Plan				•
502012 - ECR Landfill Operations	-			_
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-	79 79 79 79 79 79 79 79 79 79 79 79 79 7	-	
Net 2009 Plan O&M Expenses	-			
Current Month O&M Expense for All Plans		399,153.94	297,508.26	696,662,2

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

ES FORM 1.10

1.53%

1.61%

-0.08%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

Calculation of Total E(m)

(16)

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

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

	•		Environm	ental Compliance Plans	May 2010 as filed		
	RB	٠ =	\$	238,012,541	\$ 238,038,338	\$	(25,797)
` '	RB/12 .	=		19,834,378	19,836,528		(2,150)
(3)	(ROR + (ROR - DR) (TR / (1 - TR)))	=		10.97%	10.97%		(======
(4)	OE	=		1,222,271	1,280,583		(58,312)
(5)	BAS BR	=		-	-		-
(6)	DK .	_		-	-		-
(7)	E(m) (2) x (3) + (4) - (5) + (6)	=	\$	3,398,102	\$ 3,456,650	\$	(58,548)
u1 13u1	tional Environmental Surcharge Billing Factor						
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	s	85,36% 2,900,620	\$ 85,36% 2,950,596	s	(49 976)
(8) (9)	Jurisdictional Allocation Ratio for Expense Month – ES Form 3.00 Jurisdictional E(m) = E(m) × Jurisdictional Allocation Ratio [(7) × (8)]	=	\$	2,900,620	\$ 2,950,596	\$	(49,976)
(8) (9) (10)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	\$		\$	\$	(49,976) -
(8) (9) (10) (11)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary)	=	\$	2,900,620 390,130	\$ 2,950,596 390,130	\$	-
(8) (9) (10)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	\$	2,900,620	\$ 2,950,596	\$	(49,976) - - (49,976)
(8) (9) (10) (11)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00 Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary)	=		2,900,620 390,130	\$ 2,950,596 390,130		-
(8) (9) (10) (11) (12)	Jurisdictional Allocation Ratio for Expense Month — ES Form 3.00 Jurisdictional E(m) = E(m) × Jurisdictional Allocation Ratio [(7) × (8)] Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary) Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	= =	\$	2,900,620 390,130 3,290,750	2,950,596 390,130 - 3,340,726	\$	-

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental (Compliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	The second second
Eligible Pollution CWIP Excluding AFUDC	48,136,185	100
Subtotal		\$ 296,582,561
Additions:		- HARRY 1861
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	743,676	
Deferred Debit Balance Mill Creek Ash Dredging	-	186
Subtotal		743,676
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	43,404,879	
Pollution Control Deferred Income Taxes	15,908,817	
Subtotal		59,313,696
Environmental Compliance Rate Base		\$ 238,012,541

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

	E	nvironr	nental
	Co	mplian	ce Plan
Total Monthly Beneficial Reuse Expense	\$	•	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			-
Net Beneficial Reuse Operations Expense	\$		-

Proceeds From By-Product and Allowance Sales

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

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

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

2001 Plan 506104 - NOx Operation Consumables 506105 - NOx Operation Labor and Other 512101 - NOx Maintenance Total 2001 Plan O&M Expenses 2005 Plan 502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance 506110 - Mercury Monitors Operation		193,405.76 5,455.69 5,738.23 204,599.68	47,015.69 3,793.15 8,608.34 59,417.18	240,421.45 9,248.84 14,346.57
506104 - NOx Operation Consumables		5,455.69 5,738.23	3,793.15 8,608.34	9,248.84
506105 - NOx Operation — Labor and Other 512101 - NOx Maintenance Total 2001 Plan O&M Expenses 2005 Plan 502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance		5,455.69 5,738.23	3,793.15 8,608.34	
512101 - NOx Maintenance Total 2001 Plan O&M Expenses 2005 Plan 502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance				14 346 57
Total 2001 Plan O&M Expenses 2005 Plan 502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance		204,599.68	59,417.18	1 ,,5 10.57
502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance				264,016.86
502006-Scrubber Operations 512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance				
512005-Scrubber Maintenance Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance		en automorphism (Control	36,992.82	36,992.82
Ashpond Dredging Expense Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance				arakiti kacilek kalendar
Total 2005 Plan O&M Expenses 2006 Plan 506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance	South Control of the	· ·	Terror State of Control	-
506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance		-	36,992.82	36,992.82
506109 - Sorbent Injection Operation 512102 - Sorbent Injection Maintenance			,	
512102 - Sorbent Injection Maintenance		-	88,398.15	88,398.15
		-	53.54	53.5
	_	-	-	-
512103 - Mercury Monitors Maintenance	-	-		_
502006 - Scrubber Operations		ACTION SERVED	-	
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation Consumables			-	-
506105 - NOx Operation Labor and Other			-	-
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	
512011 - Precipitator Maintenance			-	
Total 2006 Plan O&M Expenses	-		88,451.69	88,451.6
2009 Plan				
502012 - ECR Landfill Operations	_		-	_
512105 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	_		- 1	-
Net 2009 Plan O&M Expenses			-	-
Current Month O&M Expense for All Plans				

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



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

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AUG 20 2010

PUBLIC SERVICE COMMISSION

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

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

August 20, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

(397,817)

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

-0.60%

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

Submitted by:

Title: Director, Rates

Date Submitted: August 20, 2010

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 2010

Calculation of Total E(m)

T/)	, n	
E(m) = [(RB / 12) (ROR+6)]	(K(DR - 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
DD -	_	Panaficial Pause Operating Expenses

				Er	vironmental Compliance Plans
(1) (2)	RB RB / 12		· =		237,736,661 19,811,388
(3)	(ROR + (ROR - DR) (TR OE	/(1 - TR)))	=		10.97% 1,252,614
(5)	BAS BR		=		97
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	3,425,827

Calculation of Jurisdictional Environmental Surcharge Billing Factor

1			
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	92,29%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	3,161,696
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	=	-
(11)	Prior Period Adjustment (if necessary)	==	- 1
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	3,161,696
(13)	Revenue Collected through Base Rates	= \$	3,559,513
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	(397,817)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	65,947,483
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	-0,60%

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Co	ompliance Plan
Eligible Pollution Control Plant	\$ 248,446,376	
Eligible Pollution CWIP Excluding AFUDC	49,803,903	
Subtotal	\$	298,250,279
Additions:	1000	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	724,347	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal		724,347
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	45,094,630	
Pollution Control Deferred Income Taxes	16,143,335	
Subtotal		61,237,965
Environmental Compliance Rate Base	\$	237,736,661

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

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

Proceeds From By-Product and Allowance Sales

		Total	\A	mount in	Net			
	Proceeds			Base Rates				
		(1)		(2)	(1) - (2)			
Allowance Sales	\$	97	\$	-	\$:	97	
Scrubber By-Products Sales		· .		-			-	
Total Proceeds from Sales	\$	97	\$	· -	\$		97	

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	Eligible Plant In Service			Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Т	Deferred Tax Balance as of 7/31/2010	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	. 1	Monthly Property Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	192,860,844	\$	38,978,217	\$		\$	153,882,626	\$	14,122,584		\$	617,234	\$	19,775
Subtotal Less Retirements and Replacement resulting	\$	192,860,844	\$	38,978,217	\$	-	\$	153,882,626	\$	14,122,584		S	617,234	\$	19,775
from implementation of 2001 Plan	\$	(5,850,965)	\$ -	(2,914,284)	\$	-	\$	(2,936,681)	s	(1,053,265)		\$	(13,202)	\$	(341)
Net Total - 2001 Plan:	\$	187,009,879	\$	36,063,933	\$	-	\$	150,945,945	S	13,069,319		\$	604,032	\$	19,435
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	30,861,686 11,929,133 1,197,310 2,734,620	\$ \$	9,437,381 2,878,611 428,966 1,200,590		- - -	\$ \$ \$ \$	21,424,304 9,050,522 768,344 1,534,030	\$	1,085,235 938,419 31,000 81,172		\$ \$ \$	103,474 47,792 3,702 8,614	\$	2,769 1,173 99 199
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	46,722,749 (7,839,520)		13,945,548 (6,665,432)		-	\$	32,777,201 (1,174,088)		2,135,825		\$	163,582 (27,125)		4,240 (387)
Net Total - 2003 Plan:	\$	38,883,229	\$	7,280,116	\$	-	S	31,603,112	S	1,339,784		\$	136,457	\$	3,853
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$	367,489 278,983 79,336 39,069 1,142,525 1,907,402 (548,068)	\$ \$ \$ \$ \$	1,515,559 74,369 - - - - - 1,589,929	\$ \$ \$ \$	5,755,178 4,525,955 770,764 269,439 - 6,218,552	\$ \$ \$ \$ \$	219,752 246,374 73,367 17,860 998,859 1,556,213		\$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055	\$ \$ \$ \$ \$ \$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan;	\$	16,665,695	1\$	1,359,334	1 \$	1,589,929	1\$	16,896,290	\$	1,424,517		1 \$	40,616		2,114

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2010	Monthly ITC Amortization Credit	D	Monthly epreciation Expense	P	Monthly roperty Tax Expense
			-					(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	3,440,076 2,050,346 397,151	\$	200,408 131,225 59,613	\$	44,910,678 456,852 - -		44,910,678 3,696,520 1,919,121 337,538	\$	201,438 40,032 68,244		\$ \$ \$	- 9,777 8,867 1,361		5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	5,887,574	\$	391,247 -	\$	45,367,530	\$	50,863,857	\$	309,715		s s	20,005	\$	6,145
Net Total - 2006 Plan:	\$	5,887,574	\$	391,247	\$	45,367,530	\$	50,863,857	\$	309,715		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- - - -	\$ \$ \$		\$ \$ \$	337,120 1,590,875 918,449	\$	337,120 1,590,875 918,449	\$	- - - -		\$ \$ \$		\$ \$	33 120 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	s s	-	s s	2,846,444	s s	2,846,444	s	-		\$	-	\$	153
Net Total - 2009 Plan:	\$	-	\$	-	\$	2,846,444	\$	2,846,444	\$	-		\$	-	\$	15:
														I	
Net Total - All Plans:	\$	248,446,376	\$	45,094,630	\$	49,803,903	\$	253,155,650	\$	16,143,335		\$	801,110	\$	31,70

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

Inventory of Emission Allowances

For the Month Ended: July 31, 2010

Vintage Year	Nur	mber of Allowand	ces	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	150,145	5,711	3,649	\$ 3,395.96	\$ -	\$ 71.90	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
. 2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2040	686,169						

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of July 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	niventory	Turchases	(Coar raci)	(Other Facis)	Solu	inventory	bale bale to timage road
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			1
Quantity	159,801	0	3,956	0	5,700	150,145	
Dollars	\$ 3,614.36	\$ -	\$ 89.48	\$ -	\$ 128.92	\$ 3,395.96	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	-	\$ 0.02	\$ 0.02	
ATTOCATED AT	I OWANCES ED	OM EPA: COAL F	TIMY				
Quantity	151,349		3,899		4,275	143 175	Sale of allowances to KU
Dollars	\$ 3,423.20		\$ 88.20	s -	\$ 96.69		
	,	- 0.01			20,02	-,,	
Quantity	8,452		57	<u> </u>	1,425		Sale of allowances to KU
Dollars	\$ 191.16	\$ (0.01)	\$ 1.28	\$ -	\$ 32.23	\$ 157.64	
	FROM PURCHAS	SES:					
From Market:							
Quantity	-	-	_		-	-	
Dollars	\$ -	\$	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	\$ -	\$ -		-	\$ -	
						_	
From KU							
Quantity	_	_			-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	-	\$ -	
\$/Allowance	\$ -	\$ -	\$ -		\$ -	-	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 2010

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIC	ON ALLOWANCES						
Quantity	5,035	0	1,364	22	0	3,649	
Dollars		\$ -	\$ 26.87	\$ 0.43	\$ -	\$ 71.90	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02		\$ -	\$ 0.02	
	LLOWANCES FRO	M EPA: COAL F					
Quantity	4,897		1,364	-	-	3,533	
Dollars	\$ 96.48	\$ -	\$ 26.87	\$ -	\$ -	\$ 69.61	
ALLOCATED AT	LLOWANCES FRO	OM EPA: OTHER	FUELS -	. 22	Ι -	116	
Dollars	\$ 2,72	\$ -	\$ -	\$ 0.43	\$ -	\$ 2.29	
	FROM PURCHAS	ES:					
From Market:	,		,				
Quantity	0	0		0	0		
Dollars	.\$ -	\$ -	\$ -	\$ -	-	\$ -	
\$/Allowance	\$ -	\$ -	-	-	-	\$ -	
×2 ****	1	T	1				T
From KU:					1	0	
Quantity	0		0		- A	-	
Dollars	\$ - \$· -	<u>\$</u> -	\$ -	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	1	1	
\$/Allowance	1 2	\$ -	3 -			-	·

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of July 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY		ATIONS			
Quantity	7,097	0	1,364	22	. 0	5,711	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	·
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
ALLOCATED A	LLOWANCES FR						
Quantity	7,006		1,364		-	5,642	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
							·
	LLOWANCES FR	OM EPA: OTHER	FUELS				
Quantity	91	-	-	22	-	69	
Dollars	\$ -	\$ -	\$ -	\$ -	-	\$ -	
			,				
	S FROM PURCHAS	SES:					
From Market:	1	I .			1	1	
		<u> </u>				l	
Quantity	0	0	0	0	0	0	
	\$ -	\$ -	0	0 \$ -	\$ -	0	
Quantity				<u></u>			
Quantity Dollars \$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity Dollars \$/Allowance From KU:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity Dollars \$/Allowance From KU: Quantity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quantity Dollars \$/Allowance From KU:	\$ - \$ -	\$ -	\$ - \$ - 0 \$ -	\$ - \$ -	\$ -	\$ -	
Quantity Dollars \$/Allowance From KU: Quantity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ - \$	
Quantity Dollars \$/Allowance From KU: Quantity Dollars	\$ - \$ -	\$ - \$ - 0 \$ -	\$ - \$ - 0 \$ -	\$ - \$ - \$ 0 \$ -	\$ - \$ - 0 \$ -	\$ - \$ - 0 \$ -	

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2010

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables		189,407.84	69,792.22	259,200.06
506105 - NOx Operation Labor and Other		4,501.56	5,348.80	9,850,36
512101 - NOx Maintenance		6,059.03	1,637.71	7,696.74
Total 2001 Plan O&M Expenses		199,968.43	76,778.73	276,747.16
2005 Plan				
502006-Scrubber Operations	100 mm		26,881.15	26,881.15
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		-	4.00	-
Total 2005 Plan O&M Expenses		-	26,881.15	26,881.15
2006 Plan				
2006 Plan 506109 - Sorbent Injection Operation	Mills of the Earlie Construction of the Construction	- 1	83,161,94	83,161.94
512102 - Sorbent Injection Maintenance			2.810.97	2,810.9
506110 - Mercury Monitors Operation			2,810.37	2,010.9
512103 - Mercury Monitors Maintenance	30,203			30,203.00
502006 - Scrubber Operations	30,203	See 1 とようとでも代表		30,203.00
512005 - Scrubber Maintenance	 26명 전, 22일, 제품, 111일, 제품			
506104 - NOx Operation Consumables				
506105 - NOx Operation — Labor and Other			_	-
512101 - NOx Maintenance			·	
506001 - Precipitator Operation				_
506111 - Activated Carbon				-
512011 - Precipitator Maintenance				
Total 2006 Plan O&M Expenses	\$ 30,203	-	85,972.91	116,175.9
			-	
2009 Plan				
502012 - ECR Landfill Operations	- \$		-	_
512105 - ECR Landfill Maintenance	-			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		· -	
Net 2009 Plan O&M Expenses		No in the state of	-	_
Current Month O&M Expense for All Plans	\$ 30,203	199,968.43	189,632.79	419,804.2

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane	Run	Trimble County
Thirtie GOD Discoule William (D. 2000 Discoule A.	T		T
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	ф.		Φ.
(1) 12 Months Ending with Expense Month	\$		\$
(2) Monthly Amount [(1) / 12]	\$,	-	\$
2009 Plan Project			
(3) Monthly Expense	\$	-	\$
Total Generating Station			
(4) Monthly Expense [(2) + (3)]	\$	-	\$
Base Rates			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$
(6) Monthly Expense Amount [(5) / 12]	\$		\$.
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	_	\$
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	\$
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
djustment for Base Rate Amount (to ES Form 2.50)	\$.	-	\$

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
	C : 1 D		Φ.
Total Monthly Ber	neficial Reuse Expense		\$ -
	neficial Reuse in Base Rates (from ES Form 2.6	1)	\$ -
Net Beneficial Ret	ise O&M Expense		\$ -

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2010

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

ES FORM 3.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2010

		Revenues per	. R	evenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	87,940,963	\$	87,940,963
Fuel Adjustment Clause	\$	2,659,992	\$	2,659,992
DSM	\$	2,420,480	\$	2,420,480
Environmental Surcharge			\$	1,519,099
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	93,021,435	-	
Non -Jurisdictional Revenues	6	7.765.017	6	7.765.017
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	7,765,917	\$	7,765,917
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,765,917		
Total Company Revenues for Environmental Surcharge Purposes =	\$	100,787,352		
Reconciling Revenues				
Brokered	\$	309,896	\$	309,896
InterSystem (Transmission Portion Booked in Account 447)			\$	_
Unbilled			\$	(537,667)
Miscellaneous			\$	2,085,548
Total Company Revenues per Income Statement =			\$	104,164,228

Attachment to Response to SV Question No. 20th



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Conroy SEP 17 2010

COMMISSION

Louisville Gas and

Electric Company

PO Box 32010

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Robert M. Conroy Director - Rates

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State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@eon-us.com

220 West Main Street

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

September 17, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ (1,681,232)

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

-2.50%

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

Submitted by:

Title: Director, Rates

Date Submitted: September 17, 2010

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Con	ipliance Plan
Eligible Pollution Control Plant	\$ 22,553,269	化基础
Eligible Pollution CWIP Excluding AFUDC	50,524,477	
Subtotal	\$	73,077,746
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	297,560	
Deferred Debit Balance Mill Creek Ash Dredging	-	100
Subtotal		297,560
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,814,640	
Pollution Control Deferred Income Taxes	1,777,012	
Subtotal		3,591,652
Environmental Compliance Rate Base	\$	69,783,654

Determination of Pollution Control Operating Expenses

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

Determination of Beneficial Reuse Operating Expenses

	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	Am	ount in		Net		
· ·		Proceeds	. Bas	e Rates				
		(1)		(2)	(1) - (2)			
Allowance Sales	\$. 123	\$	-	\$		123	
Scrubber By-Products Sales		-		-			-	
Total Proceeds from Sales	\$.	123	\$	-	\$		123	

ES FORM 1.10

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of August 2010

Calculation of Total E(m)

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

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

Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2010

(1)		(2)		(3)		(4)		(5)	_	(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Pr	Monthly operty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	\$	-	\$	-	\$	-	\$	-	\$	· .		s		\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s	-	\$ \$	-	\$ \$	-	\$	-	\$	-		s s	-	s s	-
Net Total - 2001 Plan:	S		S	_	\$	-	\$	-	S			S	_	S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	-	\$ \$ \$		\$ \$ \$	-	\$ \$ \$	-	\$ \$ \$			\$ \$ \$		\$ \$	- -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	\$	-	s s	-	\$	-		s	- .	\$	-
Net Total - 2003 Plan:	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$	377,230 287,380 81,901 40,215 - 1,164,731 1,951,456 (548,068)	\$ \$ \$ \$	1,631,565 97,940 - - - - - 1,729,505	\$ \$ \$ \$	5,861,443 4,541,129 768,200 268,292 - 6,196,347 17,635,410 (643,598)	\$ \$ \$	1,587,473		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055	\$ \$ \$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan:	s	16,665,695	Is	1,403,388	Is	1,729,505	l s	16,991,812	1,5	1,455,777		1 \$	40,616	l s	2,11

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Fax Balance as of 8/31/2010	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Pr	Monthly operty Tax Expense
							<u>"</u>	(2)-(3)+(4)		THE PARTY OF THE P					
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$	3,440,076 2,050,346 397,151 5,887,574	\$ \$	210,185 140,093 60,974 411,251	\$ \$	44,328,288 471,067 - - - 44,799,355	\$ \$ \$	44,328,288 3,700,958 1,910,254 336,177 50,275,677	\$ \$ \$	210,118 41,835 69,282 321,235		\$ \$ \$	9,777 8,867 1,361	\$	5,441 414 248 43 6,145
from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Net Total - 2006 Plan:	\$	5,887,574	\$	411,251	\$	44,799,355	\$	50,275,677	\$	321,235		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	-	S	- - -	\$ \$ \$	375,739 2,684,906 934,972	\$	375,739 2,684,906 934,972	\$	-		\$ \$ \$	 - - -	\$ \$ \$	33 120 - -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	s	-	\$	3,995,617	s s	3,995,617	S S	-		s	-	\$	153
Net Total - 2009 Plan:	\$	_	\$		\$	3,995,617	\$	3,995,617	\$	-		\$	-	\$	153
							Ι					1			
Net Total - All Plans:	\$	22,553,269	\$	1,814,640	\$	50,524,477	\$	71,263,106	\$	1,777,012		\$	60,621	\$	8,412

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

Inventory of Emission Allowances

For the Month Ended: August 31, 2010

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

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of August 2010

	Beginning		Allocations/	Utilized		Utilized				Ending	Allocation, Purchase, or		
	Inventory		Purchases	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years		
TOTAL EMISSI	ON ALLOWAN	CES I	N INVENTORY,	ALL CLASSIFIC	ATION	NS							
Quantity	150,	45	1,809	3,453		0		5,421		143,080			
Dollars	\$ 3,395	.96 \$	-	\$ 78.10		-	\$	122.61		3,195.25			
\$/Allowance	\$ 0	.02 \$	-	\$ 0.02	\$	-	\$	0.02	\$	0.02			
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL													
Quantity	141,		1,809	3,426			T	5,421		134,712	Sale of allowances to KU (5,421); allocation from EPA Conservation		
Dollars		.09 5	\$ 1.80		\$	-	\$	122.61	\$	3,007.79	& Renewables Pool (1,809). Beginning inventory adjusted to reflect		
											July sale to KU of 100% coal allowances and no other fuel allowances.		
Quantity	8,	395	-	27	s	-	\$	-	\$	8,368 187.46	Beginning inventory adjusted to reflect July sale to KU of 100% coal allowances and no other fuel allowances.		
			M EPA: OTHER		T	-	Т		T	8.368	Beginning inventory adjusted to reflect July sale to KU of 100%		
Dollars	\$ 189	.87	\$ (1.80)	\$ 0.61	\$	_	\$	-	\$	187.46	coal allowances and no other fuel allowances.		
									1		,		
ALLOWANCES	FROM PURC	LASES	S:										
From Market:													
Quantity		-	-	-		-		-		-			
Dollars	\$	-	\$ -	\$ -	\$	-	\$	-	\$	-			
\$/Allowance	\$	-	\$ -	\$ -	\$	-	\$	-	\$	_			
From KU													
Quantity		-	-	_		_		_		_			
Dollars	\$		\$ -	\$ -	\$		\$	-	\$	_			
\$/Allowance	\$	-	\$ -	\$ -	\$	-	\$	_	\$	_			

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

LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of August 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	,						
TOTAL EMISSIO			, ALL CLASSIFIC	ATIONS			
Quantity	3,649		1,344	21	0	2,284	
Dollars	\$ 71.90		\$ 26.49	\$ 0.41		\$ 45.00	
\$/Allowance	\$ 0.02	\$	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
	LLOWANCES FR	OM EPA: COAL F			_	,	
Quantity	3,533	-	1,344	-	-	2,189	
Dollars	\$ 69.61	\$ 0.01	\$ 26.49	\$ -	\$ -	\$ 43.13	
	LLOWANCES FR		FUELS	•			
Quantity	116		-	21	-	95	
Dollars	\$ 2.29	\$ (0.01)	\$ -	\$ 0.41	\$ -	\$ 1.87	
		L		1	<u> </u>		
	~~~~~~~~~	200					
	FROM PURCHAS	SES:					T
From Market:		1	-				
Quantity Dollars	0	0		0	0	0	
	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	\$ - \$ -	\$ -	- S -	-	\\$ - \\$ -	
\$/Allowance	\$ -		] \$ -		-	-	
From KU:		T	T	T	T	1	T
	1 0	0	0	0	0	0	
Quantity Dollars	-	\$ -	1	\$ -	-	\$ -	
\$/Allowance	\$ -	\$ -	1	Φ.	1	Φ.	
\$/Allowance	] -	19 -	-	-	-		

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of August 2010

	Beginning	Allocations	/ T	Utilized	Utilized	T			Ending	Allocation, Purchase, or	
	Inventory	Purchases	´ [	(Coal-Fuel)	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years	
	mitomory	Turonapos		(Court uoi)	(Other Facility		Bold		arrentery 1	Date Date to Timego Total	
TOTAL EMISSIO	TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS										
Quantity	5,711	1	0 1	1,344	21	T	0	Π	4,346		
Dollars	\$ -	\$	_	\$ -	\$ -	\$	-	\$	-		
\$/Allowance	\$ -			\$ -	\$ -	\$	-	\$	-		
		•									
ALLOCATED AL	LOWANCES FR	OM EPA: COA	LFU	JEL							
Quantity	5,642		(50)	1,344	-		_	Т	4,248	Transfer from Coal Fuel to Other Fuel	
Dollars	\$ -	\$	-	\$ -	\$ -	\$	-	\$	-		
ALLOCATED AL	LOWANCES FR	OM EPA: OTH	ER F	FUELS							
Quantity	69		50	-	21				98	Transfer from Coal Fuel to Other Fuel	
Dollars	\$ -	\$	-	\$ -	\$ -	\$	-	\$	-	·	
ALLOWANCES !	FROM PURCHA	SES:									
From Market:											
Quantity	(	)	0	0			0		0		
Dollars	\$ -	\$	-	\$ -	\$ -	\$	-	\$	-		
\$/Allowance	\$ -	\$	-	\$ -	\$ -	\$	_	\$	-		
From KU:											
Quantity		)	0	. 0		)	0		0		
Dollars	\$ -	4	-	\$ -	-	\$	-	\$			
\$/Allowance	\$ -	\$	-	\$ -		\$	_	\$	-		

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2010

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

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables			- 1	_
506105 - NOx Operation — Labor and Other		_	_	-
512101 - NOx Maintenance		-	-	_
Total 2001 Plan O&M Expenses		-		_
2005 Plan				
502006-Scrubber Operations			10,904.45	10,904.45
512005-Scrubber Maintenance		ASSESSED TO SEE THE SECOND	- 1	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	10,904.45	10,904.45
2006 Plan				
506109 - Sorbent Injection Operation			97,615.56	97,615.56
512102 - Sorbent Injection Maintenance	COLOR STATE AND STATE	-	91.58	91.58
506110 - Mercury Monitors Operation		-	-	
512103 - Mercury Monitors Maintenance	-	2,083.19	-	2,083.19
502006 - Scrubber Operations	V* - 17.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (1.20 (		-	-
512005 - Scrubber Maintenance			-	-
506104 - NOx Operation Consumables			-	-
506105 - NOx Operation - Labor and Other			-	**
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation	general water		-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$ -	2,083.19	97,707.14	99,790.33
2009 Plan				
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance			_	, =
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				, =
Net 2009 Plan O&M Expenses			-	-
Trot 2007 Hair Own Expenses		China Cara Cara Cara Cara Cara Cara Cara Ca		
Current Month O&M Expense for All Plans	- 1\$	2,083.19	108,611.59	110,694.78

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

# Attachment to Response to SV Question No. 2(h) Page 172 of 1183 Conroy

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: August 31, 2010

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

ES FORM 3.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2010

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



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

OCT 18 2010

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

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

October 18, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ (54,471)

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

-0.08%

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

Submitted by:

Title: Director, Rates

Date Submitted: October 18, 2010

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of September 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR + (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					

				Environn	nental Compliance Plans
(1)	RB		=	\$	69,927,954
(2)	RB / 12		=		5,827,330
(3)	(ROR + (ROR - D	DR) (TR / (1 - TR)))	200		10.97%
(4)	OE		=		234,877
(5)	BAS		==		134
(6)	BR		=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	m	\$	874,001

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	90,68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 792,544
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	. =	-
(11)	Prior Period Adjustment (if necessary)	=	(30,755)
(12)	Adjusted Jurisdictional E(m) $[(9) + (10) + (11)]$	=	761,789
(13)	Revenue Collected through Base Rates	=	\$ 816,260
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$ (54,471)
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$ 68,965,871
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	-0.08%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

**Determination of Pollution Control Operating Expenses** 

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

Determination of Beneficial Reuse Operating Expenses

		Environmental
	C	ompliance 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		Amo	ount in		Net
	P	Proceeds		e Rates	Pro	oceeds
		(1)		(2)	(1)	) - (2)
Allowance Sales	\$	134	\$	-	\$	134
Scrubber By-Products Sales		-		-		
Total Proceeds from Sales	\$	134	\$	` -	\$	134

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2010

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

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2010

(1)		(2)	(3	3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		ligible lant In ervice	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2010		Monthly ITC Amortization Credit	Monthly Depreciation Expense		Pre	Monthly operty Tax Expense
								(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	S S S	 3,440,076 2,050,346 397,151	\$	1		43,955,783 420,004 - -		43,955,783 3,640,119 1,901,387 334,816	s s	218,798 43,638 70,319		\$ \$ \$ \$	9,777 8,867 1,361	\$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	5,887,574	s s	431,256 -	\$ \$	44,375,787	s s	49,832,104 -	s	332,755 -		\$ \$	20,005	s s	6,145
Net Total - 2006 Plan:	\$	5,887,574	\$	431,256	\$	44,375,787	\$	49,832,104	\$	332,755		\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - - -	\$ \$ \$	-	\$ \$ \$	404,704 3,280,533 935,835 761	\$ \$	404,704 3,280,533 935,835 761		- - -		\$ \$ \$	- - -	\$ \$ \$	33 120 -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	s s	-	s s	4,621,833	s s	4,621,833	s	-		s		\$	153 -
Net Total - 2009 Plan:	\$	-	\$	-	\$	4,621,833	\$	4,621,833	\$	_		\$	-	\$	153
Net Total - All Plans:	\$	22,553,269	\$	1,878,699	\$	50,784,281	\$	71,458,851	\$	1,819,792		\$.	60,621	\$	8,41

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

Inventory of Emission Allowances

For the Month Ended: September 30, 2010

Vintage Year	Nur	mber of Allowan	ces	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx .	
		Annual	- Ozone Season	'	Annual	Ozone Season	
Current Year	133,714	3,127	1,065	\$ 2,986.10	\$ -	\$ 20.99	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				·
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379			,			
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2040	686,169						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of September 2010

	D : : :	A 11 /	TT-:1: 1	Y 7. 111 1		r ii	Alltime Thomas and
	Beginning	Allocations/	Utilized	Utilized	0-14	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
			, ALL CLASSIFIC		T (222		
Quantity	143,080	0	3,366	0	6,000	133,714	
Dollars	\$ 3,195.25		\$ 75.16		\$ 133.99		
\$/Allowance	\$ 0.02		\$ 0.02	-	\$ 0.02	\$ 0.02	
ALLOCATED AL	LOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	134,712	-	3,342		6,000	125,370	Sale of allowances to KU
Dollars	\$ 3,007.79	\$ 0.59	\$ 74.63	\$ -	\$ 133.99	\$ 2,799.76	
Quantity	8,368	OM EPA: OTHER	24		_	8,344	
Dollars	\$ 187.46	\$ (0.59)	\$ 0.53	\$ -	\$ -	\$ 186.34	
1							
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
From KU							
Quantity	-	-	· -		_	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of September 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	2,284	0	1,211	8	0		
Dollars	\$ 45.00		\$ 23.85		\$ -	\$ 20.99	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	2,189	-	1,211	_	-	978	
Dollars	\$ 43.13	\$ -	\$ 23.85	\$ -	\$ -	\$ 19.28	
	LLOWANCES FRO		T		T	87	
Quantity Dollars	\$ 1.87	s -	\$ -	\$ 0.16			
	3 1.87	-	2 -	\$ 0.16		\$ 1.71	
	FROM PURCHAS	ES:					
From Market:					ļ		
Quantity	0			0			
Dollars	\$ -	\$ -	<u> </u>	-	-	\$ -	
\$/Allowance	-	-			\$ -		
E VII.		1			T	T	T
From KU:	0	<del>                                     </del>	-				
Quantity Dollars				0			
\$/Allowance	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	
\$/Allowance	1 3 -	13 -	\$ -				

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2010

	Beginning		Allocations/	Utiliz		Utilized		T	Ending	Allocation, Purchase, or
	Inventory		Purchases	(Coal F	uel)	(Other Fuels)	Sold	$\bot$	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANC		INVENTORY,	, ALL CLA		ATIONS				
Quantity	4,34		0		1,211	8		0	3,127	
Dollars	\$ -	\$		\$	-	\$ -	\$		\$ -	
\$/Allowance	\$ -	\$	-	\$	-	\$ -		15	\$ -	
	LLOWANCES F		EPA: COAL F	UEL						
Quantity	4,24		<u>-</u>		1,211	-	-	-	3,037	
Dollars	\$ -	\$	-	\$		\$ -	\$ -		\$ -	
				L						
	LLOWANCES F			FUELS						
Quantity	9		-			. 8	-		90	
Dollars	\$ -	\$		\$		\$ -	\$ -	:	\$	
	FROM PURCHA	SES:				Γ				
From Market:								_		
Quantity		0	0		0	0		0	0	
Dollars	\$ -	\$		\$		-	\$ -	_	\$ -	
\$/Allowance	\$ -	\$		\$		-			\$ -	
From KU:								_		
		0	0		0	0		0	0	
Quantity			_	\$	-	-	\$ -		\$ -	
Quantity Dollars	\$ -	\$								
Quantity	\$ - \$ -		-	\$		\$ -	\$ -		\$ -	
Quantity Dollars					-	-	-		\$ -	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2010

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

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506104 - NOx Operation Consumables		_	- 1	
506105 - NOx Operation Labor and Other			_	-
512101 - NOx Maintenance		-		
Total 2001 Plan O&M Expenses	are a service of the	-	-	-
2005 Plan				
502006-Scrubber Operations			38,657.06	38,657.06
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		-	100 455 04	-
Total 2005 Plan O&M Expenses		-	38,657.06	38,657.0
2006 Plan				
506109 - Sorbent Injection Operation		-	125,974.39	125,974.3
512102 - Sorbent Injection Maintenance		_	-	
506110 - Mercury Monitors Operation	_	-	-	-
512103 - Mercury Monitors Maintenance	_	1,212.54		1,212.5
502006 - Scrubber Operations	tie.		-	-
512005 - Scrubber Maintenance	18		-	-
506104 - NOx Operation — Consumables	· ·		-	_
506105 - NOx Operation Labor and Other			-	_
512101 - NOx Maintenance			-	-
506001 - Precipitator Operation			-	-
506111 - Activated Carbon			-	-
512011 - Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$	1,212.54	125,974.39	127,186.9
2009 Plan	Т.			
502012 - ECR Landfill Operations	<del>_</del>		-	-
512105 - ECR Landfill Maintenance			-	•
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	-
Net 2009 Plan O&M Expenses			-	
Current Month O&M Expense for All Plans	16	1.212.54	164,631.45	165,843.9
Current World Colvi Expense for All Flans		1,212.34	104,031.43	103,843

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M			
			8			
	,					
		•				
Total Monthly Ber	neficial Reuse Expense		\$ -			
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Reu	\$					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 2010

		Total Compar	ny Revenues						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	. Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge  (9)-(5)
Oct-09	60,422,151	(631,634)	764,250	620,589	61,175,356	60,554,767	9,284,929	70,460,285	69,839,696
Nov-09	50,029,237	(510,379)	628,113	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  \$ 68,965,871							-14	
Jurisdictional Alloc Expense Month R	ation Percentage for Cu Centucky Jurisdictional R	rrent Month (Environme Revenues Divided by Exp	ntal Surcharge Excluded pense Month Total Comp	from Calculations): pany Revenues: Column	(7) / Column (10) =		•		90.68%
								es Brokered Sales, otal for Current Month =	\$ 80,222.99

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2010

	 Revenues per	F	levenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 85,610,679	\$	85,610,679
Fuel Adjustment Clause	\$ 1,618,012	\$	1,618,012
DSM	\$ 1,527,512	\$	1,527,512
Environmental Surcharge		\$	(520,026)
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 88,756,203		
Non -Jurisdictional Revenues InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 9,116,965	\$	9,116,965
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,116,965	φ	9,110,903
Total Non-Jurisdictional Revenues for Environmental Surcharge Furposes —	\$ 9,110,903	_	
Total Company Revenues for Environmental Surcharge Purposes =	\$ 97,873,168		
Reconciling Revenues	•		
Brokered	\$ 80,223	\$	80,223
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	(20,817,811
Miscellaneous		\$	1,674,255
Total Company Revenues per Income Statement =		\$	78,289,809



OCT 19 2010
PUBLIC SERVICE
COMMISSION

Louisville Gas and

**Electric Company** 

PO Box 32010

www.eon-us.com

Robert M. Conroy Director - Rates

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State Regulation and Rates

Louisville, Kentucky 40232

robert.conrov@eon-us.com

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

October 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

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

Sincerely,

Robert M. Conrov

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

7,038

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

0.01%

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

Submitted by:

Title: Director, Rates

Date Submitted: October 19, 2010

**ES FORM 1.10** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

#### Calculation of Total E(m)

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

					Environme	ental Compliance Plans
(1)	RB RB / 12			==	\$.	69,927,954 5,827,330
(3)	(ROR + (ROR - DR) (TR /	(1 - TR)))		=		10.97%
(4)	OE BAS			=		234,877 134
(6)	BR			=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	ŧ	=	\$	874,001

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8) (9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00  Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	. = = \$	90.68% 792,544
(10) (11) (12)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502 Prior Period Adjustment (if necessary) Adjusted Jurisdictional $E(m)$ [(9) + (10) + (11)]	= = 3	30,755 823,299
(13)	Revenue Collected through Base Rates	= *\$	816,260
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	7,038
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	68,965,871
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]		0.01%

Louisville Gas and

Electric Company

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates

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

220 West Main Street

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@ige-ku.com



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

November 19, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

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

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 29,051

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

0.04%

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

Submitted by:

Title: Director, Rates

Date Submitted: November 19, 2010

**ES FORM 1.10** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

### For the Expense Month of October 2010

#### Calculation of Total E(m)

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

			Environmenta	ental Compliance Plans		
(1) RB		-	\$	70,830,963		
(2) RB/12		-		5,902,580		
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	-		10.97%		
4) OE		-		163,405		
(5) BAS		31.		-		
(6) BR		=				
(7) E(m)	(2) x (3) + (4) - (5) + (6)	-	\$	810,918		

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	57	85,51%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$		\$ 693,416
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	27	-
(11)	Prior Period Adjustment (if necessary)	*7	
(12)	Adjusted Jurisdictional $E(m) = [(9) + (10) + (11)]$		693,416
(13)	Revenue Collected through Base Rates	-	\$ 664,365
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$ 29,051
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$ 69,734,062
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) : (15)]	=	0.04%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	 Enviromental	Compl	liance Plan
Eligible Pollution Control Plant	\$ 22,553,269		
Eligible Pollution CWIP Excluding AFUDC	 51,798,791		
Subtotal		\$	74,352,060
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-		
Cash Working Capital Allowance	284,234		
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal			284,234
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	 1,942,758		
Pollution Control Deferred Income Taxes	 1,862,573		
Subtotal			3,805,331
Environmental Compliance Rate Base		\$	70.830,963

**Determination of Pollution Control Operating Expenses** 

	I	viromental
	Con	ipliance Plan
Monthly Operations & Maintenance Expense	3	94,372
Monthly Depreciation & Amortization Expense		60,621
less investment tax credit amortization		-
Monthly Property and Other Applicable Taxes		8,412
Monthly Insurance Expense		-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		-
Monthly Permitting Fees		-
Amortization of Monthly Mill Creek Ash Dredging		-
Less: Operating Expenses Associated with Retirements or Replacements		-
Occuring Since Last Roll-In of Surcharge into Existing Rates		
Total Pollution Control Operations Expense	\$	163,405

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
	Comp	pliance Plan
Total Monthly Beneficial Reuse Expense	<b>\$</b>	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		100 J. (100 J.
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	\$ -	. \$	-	-

Confroym 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2010	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
			i					(2)-(3)+(4)							
2001 Plan: Project 6 · LGE NOx	s		\$	-	s	-	ş.	-	\$	-		\$	-	5	
Subtotal  Loss Retirements and Replacement resulting from implementation of 2001 Plan	\$		\$	-	S	-	s s	-	\$	-		\$	-	\$	-
Net Total - 2001 Plan:	2		5		5	<del></del>	5		\$			\$		\$	
2003 Plan: Project 7 - Mill Creek PGD Scrubber Conversion Project 8 - Procipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$ \$	-	\$	-	\$ \$ \$	:	\$ 5		\$ \$	- - - -		\$ \$ \$		\$ \$ \$	:
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	-	\$		\$	-	S S	-	S S	-	<u> </u>	Š	-	S S	
Net Total - 2003 Plan:	S		S	-	S	-	\$		\$			\$		\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Croek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	4,607,107 4,730,568 850,100 308,507 7,361,077	\$ \$ \$	87,030 42,509		1,668,020 473,775 - - - 2,141,795	\$ \$ \$ \$	5,878,417 4,900,170 763,071 265,999 6,151,935 17,959,590	\$ \$ \$ \$	236,435 265,709 79,525 18,373 1,049,951	-	\$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055	\$ 5 5 5 5	700 564 99 35 - 797 2,193
			<u> </u>		<u>!</u>		L	_		,				<u></u>	
Net Total - 2005 Plan	\$	16,665,695	5	1,491 497	5	2,141,795	\$	17,315,993	\$	1.518,297		\$	40,616	2	2,114

Confroym 2.10 Page 2 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2019

(1)	Ţ	(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service	ı	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2010	Monthly ITC Americation Credit	ι	Monthly Depreciation Expense		Monthly roperty Tax Expense
		·						(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$	229,738 157,827 63,696	\$ \$ \$	43,835,711 420,004 -	\$ \$ \$	43,835,711 3,630,342 1,892,520 333,455	2	227,478 45,441 71,357		\$ \$ \$	9,777 8,867 1,361	-	5,441 414 248 43
Subtotal	\$	5,887,574	5	451,260	5	44,255,715	S	49,692,028	S	344.275		\$	20,005	\$	ი,145
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$		\$	-	\$		s	-	\$	-		\$		\$	-
Net Fotal - 2006 Plan	\$	5.887,574	S	451,260	S	44,255,715	\$	19,692,028	S	344,275		8	20,005	S	6,145
2009 Plan: Project 22 - Canc Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	:	\$ \$ \$	-	\$ \$ \$	441.661 4,616.879 946.333 2,428		441,661 4,016,879 940,313 2,428	\$	- - -		\$ \$ \$	:	\$ \$ \$	33 120
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$		\$	-	\$	5,401,281	s	5,401,281	\$	-		\$ \$		\$	153
Net Total - 2009 Plan:	\$		\$		Ś	5,401,281	\$	5,401,281	\$			\$		\$	153
Net Total - All Plans:	s	22,553,269	\$	1,942,758	\$	51,798,791	<u> </u> _\$	72,409,302	\$	1,862,573		\$	60,621	\$	8,412

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2010

Vintage Year Number of Allowances			ces	Tot	al Dollar Value Of V	ntage Year		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx		NOx	
<u> </u>		Annual	Ozone Season		Annual	Ozo	one Season	
Current Year	130,541	1,960	1,065	\$ 2,915.24	\$	- \$	20 99	
2011	62,379	14,133	6,212					
2012	62,379	14,133	6,212					
2013	62,379	14,133	6,212					
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379						į	
2023	62,379			<u> </u>				
2024	62,379					{		
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030 - 2040	686,169							

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of October 2010

	Begini		Allocation Purchase		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold	T	Ending Inventory		Allocation, Purchase, or Sale Date & Vintage Years	
<del></del>		W.J	T CHETROS		(Coarract)		10ther Lucis)				ite dittory		Bare Date & Timage Tears	
TOTAL EMISSI	ON ALLOW	ANCES	S IN INVENT	ORY.	ALL CLASSIF	CATI	ONS							
Quantity		33,714		0	3,17		0	ī		T T	130,541			
Dollars	\$ 2	986.10	\$		\$ 70.8	5 \$		\$	_	\$	2,915.24			
5/Allowance	S	0.02	\$	-		2 \$	-	\$		\$	0.02			
_					_									
ALLOCATED A			M EPA: CO	ALF	CEL		<u> </u>							
Quantity		25,370		-	3,15				_		122,220			
Dollars	\$ 2	799.76	S	0.02	\$ 70.3	5 8		\$		\$	2,729.42			
						-				Щ.		j		
ALLOCATED A	LLOWANC		M EPA: OT	HER				,						
Quantity		8,344		-	2		-		-		8,321			
zonars	\$	186.34	\$	(0.02)	\$ 0.5	) \$		\$	-	\$	185,82			
DOIIATS	3	186.34	\$	(0.02)	\$ 0.5	\$		\$	-	\$	185,82			
				(0.02)	\$ 0.5	)   \$		\$	-	\$	185.82			
ALLOWANCES				(0.02)	\$ 0.5	)   \$		\$	-	\$	185,82			
ALLOWANCES		RCHASI				5   \$		\$		\$				
ALLOWANCES rom Market: Quantity	FROM PUI	RCHASI -	ES:		-		-		-	\$				
ALLOWANCES rom Market: Quantity Dollars	FROM PUI	CHASI	ES:		\$ -	S	-	\$		\$				
ALLOWANCES rom Market: Quantity Dollars	FROM PUI	RCHASI -	ES:		-		-		-	\$				
ALLOWANCES rom Market: Quantity Dollars S/Allowance	FROM PUI	CHASI	ES:		\$ -	S	-	\$						
ALLOWANCES rom Market: Quantity Dollars 5/Allowance rom KU	FROM PUI	-	ES:	-	\$ - \$ -	S	-	\$	-		-			
ALLOWANCES from Market: Quantity Dollars S/Allowance from KU Quantity Dollars	FROM PUI		\$ \$		- \$ - \$ -	S	-	\$ \$		\$	-			
ALLOWANCES from Market: Quantity Dollars \$/Allowance from KU Quantity Dollars	FROM PUI		S S S	-	\$ - \$ - \$ -	\$ \$	-	\$ \$		\$	-			
ALLOWANCES from Market: Quantity Dollars \$/Allowance from KU Quantity	FROM PUI		\$ \$	-	- \$ - \$ -	S	-	\$ \$		\$	-			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of October 2010

	Beginning	Allocations'	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	· ·	-		• •			· · ·
TOTAL EMISSIO	ON ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,065	. 0	0	0	0	1,065	
Dollars	\$ 20.99		\$ -	-	\$ -	\$ 20.99	
\$/Allowance	\$ 0.02	\$ -	\$ -	\$	\$ -	\$ 0.02	
		•••					
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	TUEL				<u> </u>
Quantity	978	-	-	-	-	978	
Dollars	\$ 19.28	\$ -	\$ -	\$ -	S -	\$ 19.28	
				<u> </u>			
	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	87	OM EPA: OTHER	FUELS .			87	
ALLOCATED A				- \$	\$ -	\$ 87 \$ 1,71	
Quantity	87						
Quantity Dollars	\$ 1.71	\$ -					
Quantity Dollars ALLOWANCES	87	\$ -					
Quantity Dollars  ALLOWANCES From Market:	\$ 1.71 FROM PURCHAS	ES:	\$ -	\$	\$ -	\$ 1,71	
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 1.71 FROM PURCHAS	\$ -	\$ -	\$	\$ -		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	87 \$ 1.71 FROM PURCHAS 0 \$ -	ES: 0	\$ -	\$ -	0 \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 1.71 FROM PURCHAS	ES:	\$ -	\$	0	\$ 1.71	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	87 \$ 1.71 FROM PURCHAS 0 \$ -	ES: 0	\$ -	\$ -	0 \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	87 \$ 1.71 FROM PURCHAS 0 \$ - \$ -	ES: 0 \$ -	0 5 -	\$ - S	0 5 -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	87 \$ 1.71 FROM PURCHAS 0 \$ - \$ -	ES: 0	0 S - S - S -	\$ - 0 \$ - 2	0 5 -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	87 \$ 1.71 FROM PURCHAS 0 \$ - \$ -	ES: 0 \$ -	0 5 -	\$ - S	0 5 -	0 \$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2010

	Beginning Inventory	Allocations Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold		nding ventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	Y. ALL CLASSIFIC	CATIONS					
Quantity	3,127	0			0	0		1,960	
Dollars	S -	s -	\$ -	\$ -	- \$	-	\$	- 1	
\$/Allowance	\$ -	\$ -	S -	\$ -	\$	-	\$	-	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL I	FILEI					·-	-
Quantity	3,037	-	1,167	_	T	_		1,870	
Dollars	\$ -	\$ -	\$ -	S -	\$	-	\$	-	<u> </u>
	1	<del>-</del>					1		· · · · · · · · · · · · · · · · · · ·
ALLOCATED A Quantity	LLOWANCES FRO	OM EPA: OTHER	FUELS	· -				90	
	\$ -	\$ -	\$ -	\$ -	\$		s		
		\$ -					\$		
Dollars	\$ -						\$		
Oollars ALLOWANCES							\$		
Oollars  ALLOWANCES roin Market:	\$ -		\$ -	\$ -					
ALLOWANCES rom Market; Quantity	FROM PURCHAS	ES:	\$ -	\$ -	0	-			
ALLOWANCES from Market: Quantity Dollars	FROM PURCHAS	ES:	\$ -	\$ -	0 \$	0		0	
ALLOWANCES from Market: Quantity Dollars	FROM PURCHAS  0 S	ES: 0	\$ - 0 8 -	\$ -	0 \$	0	\$	0	
ALLOWANCES from Market: Quantity Dollars \$/Allowance	FROM PURCHAS  0 S	ES: 0	\$ - 0 8 -	\$ -	0   \$	0	\$ \$	0	
ALLOWANCES From Market: Quantity Dollars S/Allowance From KU: Quantity	FROM PURCHAS  0 S	ES: 0	\$ - 0 \$ - 5 -	\$	0 \$	0	\$ \$	0	
Dollars	FROM PURCHAS  0 S - S -	ES:	\$ - 0 \$ - \$ -	\$	0   \$	0	\$ \$	0	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2010

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

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Frimble County	Total
2001 Plan	•			
506104 - NOx Operation – Consumables		. 1		
506105 - NOx Operation Labor and Other	_		-	
512101 - NOx Maintenance				
Total 2001 Plan O&M Expenses				-
The second superior				
2005 Plan				
502006-Scrubber Operations			21,991.45	21,991.45
512005-Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses			21,991.45	21,991.45
		•	-	
2006 Plan			60 700 65	<0 mon <0
506109 - Sorbent Injection Operation	_		68,783.65	68,783.65
512102 - Sorbent Injection Maintenance			-	
506110 - Mercury Monitors Operation	-	2.504.54		2.506.54
512103 - Mercury Monitors Maintenance	-	3,596.54		3,596.54
502006 - Scrubber Operations		_		
512005 - Scrubber Maintenance		<u>.</u>		-
506104 - NOx Operation Consumables		<u>.</u>		-
506105 - NOx Operation Labor and Other	<u>—</u> .	-		-
512101 - NOx Maintenance		-	-	
506001 - Precipitator Operation		_		
506111 - Activated Carbon			-	
512011 - Precipitator Maintenance	- 1	3,596.54	68,783.65	72.380.19
Total 2006 Plan O&M Expenses	12 -	3,390.34	08,783.03	72,380.15
2009 Plan				
502012 - ECR Landfill Operations	-		-	
512105 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses				-
	·	<del></del>	<u> </u>	
Current Month O&M Expense for All Plans	\$ -	3,596.54	90,775.10	94,371.64

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: October 31, 2010

			Kentucky Jurisd	lictional Revenues			Non- Jurisdictional Revenues	Total Compar	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Totai (2)+(3)+(4)+(5)	Fotal Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales	Total (6)~(8)	Total Excluding Environmental Surcharge  (9)-(5)
Nov-09	50,029,237	(510,379)	628,113 [	761,325	50,908,296	50,146,971	9,703,778	60,612,074	59,850,749
Dec-09	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
for 12 Months Endir	risdictional Revenues, E ng Current Expense Mon	ntb.				\$ 69,734,062			
	ntion Percentage for Cur entucky Jurisdictional Re				(7) / Column (10) =				85.51%
							Note 1 - Excludes Tota	Brokered Sales, il for Current Month =	\$ 200,760.00

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: October 31, 2010

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



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

RECEIVED

DEC 20 2010

PUBLIC SERVICE COMMISSION

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

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

December 20, 2010

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

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

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 129,947

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

0.18%

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

Submitted by:

Title: Director, Rates

Date Submitted: December 20, 2010

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of November 2010

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(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

				Environme	ntal Compliance Plans
(1)			•	s	72,115,766
(2)	RB / 12 (ROR + (ROR -	DR) (TR / (1 - TR)))	=		6,009,647 10.97%
(4)	OE		=		190,507
(5) (6)	BAS BR		=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	-	\$	849,765

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	83.47%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) \times (8)]$	= \$	709,299
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2009-00502	-	
(11)	Prior Period Adjustment (if necessary)	<u>=</u>	4
(12)	Adjusted Jurisdictional $E(m) = [(9) + (10) + (11)]$	=	709,299
(13)	Revenue Collected through Base Rates	<b>-</b> \$	579,352
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	<b>-</b> \$	129,947
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month — ES Form 3.00	= \$	70,602,931
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	-	0.18%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	 Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$ 22,553,269		
Eligible Pollution CWIP Excluding AFUDC	53,197,712		
Subtotal		\$	75,750,981
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-		
Cash Working Capital Allowance	276,955		
Deferred Debit Balance Mill Creek Ash Dredging	-		300
Subtotal			276,955
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	2,006,817		
Pollution Control Deferred Income Taxes	1,905,353		
Subtotal			3,912,170
Environmental Compliance Rate Base		\$	72,115,766

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 121,474
Monthly Depreciation & Amortization Expense	60,621
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	8,412
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 190,507

Determination of Beneficial Reuse Operating Expenses

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2010

(1) Description		(2)		(3)	(4)		(5)			(6)	(7)		(8)		(9)
		Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2010		Monthly ITC Amortization Credit	Monthly Depreciation Expense		Pπ	Monthly operty Tax Expense
								(2)-(3)+(4)	<u> </u>						<u> </u>
2001 Plan: Project 6 - LGE NOx	\$	-	5	_	s	-	\$		\$			\$	-	\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s s	-	\$	-	\$	-	\$	-	s	-		\$	-	\$	
Net Total - 2001 Plan:	-   \$		2		5	· · · · · · · · · · · · · · · · · · ·	\$		\$		<u> </u>	\$		ŝ	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	-	\$ \$ \$		\$ \$ \$		\$ \$ \$		\$ \$ \$	- - - -		\$ \$ \$	- - - -	\$ \$ \$	
Subtotal  Less Retirements and Replacement resulting from implementation of 2003 Plan	s	- -	s	-	s s	-	\$	-	\$ S	-		5		s	
Net Total - 2003 Plan:	\$		\$	-	\$		\$		\$			\$		Ś	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$ \$ \$	312,570 89,594		1,671,726 519,757 - - - 2,191,483	\$ \$ \$ \$	5,872,381 4,937,755 760,506 264,852 - 6,129,729 17,965,223 (643,598)	2 2 2 3	272,155 81,578 18,544 1,066,982		\$ \$ \$	9,741 8,397 2,564 1,147  22,206 44,055 (3,438)	\$	700 564 99 35 - 797 2,193
Net Total - 2005 Plan:	\$	16,665,695	\$	1,535,552	2	2,191,483	\$	17,321,626	\$	1,549,557	<del>-</del>	\$	40,616	2	2,114

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2010

(1)		(2)	(3)		(4	4)		(5)	(6	5)	(7)		(8)		(9)
Description		Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2010		Monthly ITC Amortization Credit	Monthly Depreciation Expense		Pro	Monthly operty Tax Expense
								(2)-(3)+(4)			<u> </u>				
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$	239,515	\$			43,4\$4,673 3,645,501 1,883,653 332,095	\$	236,158 47,243 72,395		\$ \$	9,777 8,867 1 <b>.3</b> 61	\$ \$ \$ \$	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	5,887,574	s s	471,265	\$ 4 \$	43,899,612	\$ \$	49,315,921	s s	355,796		5	20,005	\$ \$	6,145
Net Total - 2006 Plan:	5	5,887,574	\$	471,265	\$ 4	43,899,612	\$	49,315,921	\$	355,796	<u></u>	\$	20,005	\$	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$		\$ \$ \$ \$	-,,	\$	613,325 5,545,388 944,564 3,340	\$	-		\$ \$		\$ \$ \$	33 120
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	s	7,106,617	\$	7,106,617	s	-		s	-	\$	153
Net Total - 2009 Plan:	\$	-	2	-	\$	7,106,617	\$	7,106,617	\$	-		\$		\$_	153
Net Total - All Plans:	\$	22,553,269	\$	2,006,817	\$ :	53,197,712	\$	73,744,163	\$	1,905,353		\$	60,621	\$	8,41

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

Inventory of Emission Allowances

For the Month Ended: November 30, 2010

Vintage Year	Nur	nber of Allowand		Tot	al Dollar Value Of Vintage	е Үеаг	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NQx	NOx	
	-	Annual	Ozone Season		Annual	Ozone Season	
Current Year	127,675	763	1,065	\$ 2,851.25	\$ -	\$ 20.99	
2011	62,379	14,133	6,212		· _		
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						·
2017	62,379						
2018	62,379						
2019	62,379			_			
2020	62,379						
2021	62,379		·		·		
2022	62,379						·-··
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030 - 2040	686,169		ļ				

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** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of November 2010

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	-			<u> </u>			<u> </u>
TOTAL EMISSIC	ON ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	130,541	0	2,866		0		
Dollars	\$ 2,915.24		\$ 63.99		\$ -	\$ 2,851.25	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02		<b>S</b> -	\$ 0.02	
	LOWANCES FRO	M EPA: COAL F					
Quantity	122,220	•	2,841		-	119,379	
Dollars	\$ 2,729.42	\$ -	\$ 63.43	\$	<u> </u>	\$ 2,665.99	·
	<u></u>			<u> </u>	L		<u></u>
ALLOCATED AL	LLOWANCES FRO	W EDA. OTHER	EURLO				
Quantity	8,321	M EFA; OTHER	25			8,296	
Dollars	\$ 185.82	\$ -	\$ 0.56		\$ -	\$ 185.26	
Donais	3 103.02		0.50			\$ 103,20	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:	1	1					
Quantity	-	-	-	_	-	-	
Dollars	\$ -	\$ -	5 -	s -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	<b>S</b> -	\$ -	\$ -	
From KU							
Quantity		-			-	-	
Dollars	\$ -	\$	S -	\$	\$ -	S -	
\$/Allowance	\$ -		\$ -	<u>-</u>	- \$	\$ -	

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of November 2010

	Beginni		Allocation			tilized		ilízed	Τ			Ending		Allocation, Purchase, or
	invento	ry	Purchas	ses	(Co	al Fuel)	(Othe	r Fuels)	<u> </u>	Sold	1	Inventory		Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOW.	ANCES	IN INVEN	TORY	, ALL (	CLASSIFIC	ATIONS							
Quantity		1,065		0		0		0			0	1,00	55	
Dollars	\$	20,99	\$	-	\$		\$	-	\$		-	\$ 20.9	9	
\$/Allowance	\$	0.02	\$	-	\$		\$	-	\$		- ]	\$ 0.0	02	<u> </u>
ALLOCATED A	LLOWANCE	ES FRO	M EPA: C	DAL F	UEL									
Quantity		978		-				-			-	91	78	
Dollars	2	19.28	\$		\$	-	\$	-	\$		-	\$ 19.3	28	
ALLOCATED A	LLOWANCI	S FRO	M EPA: O	THER	FUELS									
Quantity		87		-				-			-		87	
Dollars	\$	1.71	\$	-	\$		\$	•	\$		-	\$ 1,	71	
ALLOWANCES	FROM PUR	CHASE	S:											
From Market;		j												
Quantity		0 ]		0		0		0			0		0	
Dollars	\$	-	\$		\$	-	S	-	\$		-	\$ -		
\$/Allowance	\$	- )	\$		\$	-	\$		\$			\$	-	
														<u> </u>
From KU:							1							
Quantity		0 [		0		0		0			0		0	
Dollars	S	-	\$	-	\$	-	\$		\$		-	\$ -		
\$/Allowance	\$		\$	-	\$	-	S	-	\$		-	\$ -		
	•						•							<u> </u>

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2010

	Beginning	Allocations/	Utilized	Utilized	,	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
		<u></u>				-	
TOTAL EMISSI	ON ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	1,960	0	1,197	0	0	763	
Dollars	\$ -	\$ -	\$ -	-	\$ -	į́\$ -	
\$/Allowance	\$ -	\$ -	-	\$ -	_\$	\$ -	<u></u>
	LLOWANCES FRO						
Quantity	1,870		1,197			673	
Dollars	\$ -	<u>\$</u> -	<u> </u>	-	\$ -		
			1	<u> </u>		_	<u> </u>
	LLOWANCES FRO			<del></del>		ı <u></u>	
Quantity	90		-		-	90	<u> </u>
Dollars	\$ -	\$ -	\$ -	\$ -	\$ ~	\$ -	
			L	<u></u>			<u> </u>
ATTOWANCES	FROM PURCHAS	PC.					
From Market;	FROM FURCHAS	ES:	τ		1	Ι	
Quantity	- 0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ .	S -	\$ -	\$ -	
SINIUWALIUC	12						<u> </u>
From KU:	·	Į.	<del></del>			I	
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	s ·	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	1\$ -	\$ -	\$ -	\$ -	\$ -	
WIN STONE STONE			, , , , , , , , , , , , , , , , , , ,	<u> </u>	1 4.	<u> </u>	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2010

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

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

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

		n 1	Mill Creek	Trimble County	Total
2001 Plan	-				
506154 - ECR NOx Operation Consumables			- 1	-	
506155 - ECR NOx Operation Labor and Other			-		
512151 - ECR NOx Maintenance			-	-	-
Total 2001 Plan O&M Expenses				-	-
2005 Plan					
502056-ECR Scrubber Operations				22,286.43	22,286.43
512055-ECR Scrubber Maintenance				-	-
Ashpond Dredging Expense			-		-
Total 2005 Plan O&M Expenses			-	22,286.43	22,286.43
2006 Plan					
506159 - ECR Sorbent Injection Operation			-	97,488.41	97,488.4
512152 - ECR Sorbent Injection Maintenance			-	442.46	442.4
506150 - ECR Mercury Monitors Operation		- 1	-	-	-
512153 - ECR Mercury Monitors Maintenance			1,257.04		1,257.0
502056 - ECR Scrubber Operations				-	-
512055 - ECR Scrubber Maintenance					-
506154 - ECR NOx Operation Consumables					
506155 - ECR NOx Operation Labor and Other				-	
512151 - ECR NOx Maintenance				-	-
506051 - ECR Precipitator Operation				-	-
506151 - ECR Activated Carbon				-	
512051 - ECR Precipitator Maintenance					-
Total 2006 Plan O&M Expenses	\$	-	1,257.04	97,930.87	99,187.9
2009 Plan					
502012 - ECR Landfill Operations		-		-	_
512105 - ECR Landfill Maintenance					-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				-	-
Net 2009 Plan O&M Expenses					
Current Month O&M Expense for All Plans			1,257,04	120,217.30	121,474,3

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third				
Party	O&M Expense Account	Plant	Total	0&M
otal Monthly Bene	ficial Reuse Expense		\$	-
1.000			***	
djustment for Bene	eficial Reuse in Base Rates (from ES Form 2.	61)	\$	
et Beneficial Reus			\$	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Can	e Run		Mill Creek		Trimble Cour	nty	Total
Elizabeth Children Countries (D. 2000 Pt. D. 1.4)	1							
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			Φ.	<del></del>		•		
(1) 12 Months Ending with Expense Month	15		\$		-	\$		
(2) Monthly Amount [(1) / 12]	\$		\$		-	\$	-	
2009 Plan Project 25	_		<u> </u>				$\neg$	
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		-	\$	-	
Total Beneficial Reuse - Generating Station			<del>                                     </del>					-
(4) Monthly Expense [(2) + (3)]	\$		\$		-	\$	-	
Beneficial Reuse in Base Rates			<del>                                     </del>				$\dashv$	••
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		-	\$	-	-
(6) Monthly Expense Amount [(5) / 12]	\$		\$		-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	<del></del>	\$		-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	_\$	-	\$		_	\$	-	
If Line (8) Greater than Zero, No Adjustment	<del> </del>		-				$\dashv$	
If Line (8) Less than Zero, Adjustment for Base Rates						· ·		
djustment for Base Rate Amount (to ES Form 2.60)	T &		T\$			10		\$

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2010

			Kentucky Juriso	lictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (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	58,143,434	(1,826,641)	823,759	749,427	57,889,979	57,140,552	10,501,167	68,391,146	67,641,719
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,52},754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	. 66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
for 12 Months Endu	ng Current Expense Mon					\$ 70,602,931			
		rent Month (Environmen evenues Divided by Expe			(7) / Column (10) =				83.47%
							Note 1 - Excludes To	Brokered Sales, tal for Current Month =	\$ 199,588.00

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2010

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



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

RECEIVED

JAN 18 2011

PUBLIC SERVICE COMMISSION

January 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

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

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

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 924,626

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

1.29%

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

. _____

Title: Director, Rates

Date Submitted: January 18, 2011

**ES FORM 1.10** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of December 2010

#### Calculation of Total E(m)

E(m) = [(R)	3 / 12) (ROR+(R	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	-	Environmental Compliance Rate Base
RÓF	=	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

		Envir	onmental Compliance Plans
(1) RB		= \$	72,706,218
(2) RB/12			6,058,852
	- DR) (TR / (1 - TR)))	=	11.18%
(4) OE		=	244,720
(5) BAS		=	73
(6) BR		-	
(7) E(m)	(2) x (3) + (4) - (5) + (6)	<b>-</b> \$	922,027

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

Determination of Pollution Control Operating Expenses

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 175,687
Monthly Depreciation & Amortization Expense	60,621
less investment tax credit amortization	-
Monthly Property and Other Applicable Taxes	8,412
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 244,720

Determination of Beneficial Reuse Operating Expenses

	Environment	
	Compliance P	lan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
	100	
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Tota!	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 73	\$ -	\$ 73
Scrubber By-Products Sales			•
Total Proceeds from Sales	\$ 73	\$ -	\$ 73

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2010

(1)	<u></u>	(2)		(3)		(4)		(5)		(6)	(7	7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2010	Mar ITC Ame Cre		De	Monthly apreciation Expense	Proj	Monthly openty Tax Expense
				i				(2)-(3)+(4)								
2001 Plan: Project 6 - LGE NOx	2	-	\$		\$	-	s		2	-			s	-	\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	s		\$	-	5 5	-	\$	_		-	\$		\$	-
Net Total - 2001 Plan	S		\$	-	\$	-	\$	·	\$				\$	-	S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwel) Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	-	5 5 5	-	\$ \$ \$		\$ \$ \$	-	\$ \$ \$				\$ \$ \$	- - -	\$ \$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	2	-	2	-	\$	-	\$	-	\$	-			\$	-	\$	-
Net Total - 2003 Plan:	\$	-	\$	-	\$	-	\$		\$				\$		\$	
2005 Ptan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 - 7,361,077	2 2 2	320,967 92,159	<u> </u>	1,673,611 562,480 - - - - 2,236,092	\$ \$ \$ \$	5,864,526 4,972,082 757,942 263,706 6,107,523	\$ \$ \$ \$				\$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206	\$ \$ \$	700 564 99 35 - 797
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(1,191,665)	\$	(548,068)	\$	-	\$	(643,598)	s	(131,696)			s	(3,438)	\$	(80)
Net Total - 2005 Plan:	\$	16,665,695	\$	1,579,607	\$	2,236,092	\$	17,322,180	\$	1,580,818			2	40,616	2	2,114

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2010

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2010	Monthly FIC Amortization Credit	Σ	Monthly Depreciation Expense	Pr	Monthly operty Tax Expense
							<u>L.</u>	(2)-(3)+(4)							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	3,440,076 2,050,346 397,151	\$	249,291 175,561 66,417	\$ \$ \$	43,308,528 444,939 - -		43,308,528 3,635,724 1,874,785 330,734	\$	244,837 49,046 73,432		\$ \$ \$	9,777 8,867 1,361	S	5,441 414 248 43
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	5,887,574	\$	491,270	s	43,753,466	\$	49,149,771	\$	367,316		s s	20,005	\$ \$	6,145
Net Total - 2006 Plan:	\$	5,887,574	S	491,270	\$	43,753,466	S	49,149,771	2	367,316		\$	20,005	S	6,145
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$		\$ \$ \$	-	s s s	779,636 5,654,322 1,209,709 267,693	2	779,636 5,654,322 1,209,709 267,693	S S	-		\$ \$ \$	- - -	\$ \$ \$	33 120 - -
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	s		\$	7,911,360	\$	7,911,360	\$	-		\$		\$	153
Net Total - 2009 Plan:	\$		\$		\$	7,911,360	\$	7,911,360	\$		<u> </u>	S		\$	153
	<u> </u>				Ĺ.		ĺ.								
Net Total - All Plans:	2	22,553,269	\$	2,070,876	5	53,900,918	\$	74,383,311	\$	1,948,133	<u></u>	\$	60,621	S	8,412

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

Inventory of Emission Allowances

For the Month Ended: December 31, 2019

Vintage Year	Nui	mber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	121,259	777		\$ 2,707.97	\$ -	\$ 20.99	
2011	62,379	14,133	6,212				
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						<u> </u>
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379					<u> </u>	
2025	62,379						<u> </u>
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379		<u> </u>				
2030 - 2040	686,169						<u> </u>

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of December 2010

<u> </u>	Beginning Inventory		llocations/ Purchases		Utilized (oal Fuel)	<u> </u>	Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWAN	ES IN I	NVENTORY	, ALL	CLASSIFIC	CATIO	ONS					
Quantity	127,6		0	<del>-</del>	3,169				3,247	Γ	121,259	<u></u>
Dollars	\$ 2,851.	5 \$		\$	70.77			\$	72.51	\$	2,707.97	
\$/Allowance		2 \$		\$	0,02	\$		\$	0.02		0.02	
ALLOCATED A	LLOWANCES	ROM E	PA; COAL F	UEL								
Quantity	119,3	19	-	Τ	3,139	$I^{-}$			3,247		112,993	Allowances sold to KU.
Dollars	\$ 2,665	9 \$	-	\$	70,10		-	\$	72.51	s	2,523.38	
						1		$\neg$				
ALLOCATED A	LLOWANCES	ROM E	PA: OTHER	FUEL	S							
ALLOCATED A Quantity Dollars	8,2		PA: OTHER	FUEL:	\$ 30 0.67	\$		\$_		\$	8,266 184,59	
Quantity	\$ 185	26 S	-		30	_		\$		\$		
Quantity Dollars	\$ 185	26 S	-		30	_		\$		\$		
Quantity Dollars  ALLOWANCES From Market; Quantity	\$ 185	26 S	-		30	_		\$		\$		
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars	\$ 8,2 \$ 185 FROM PURCH	06   S	-	\$	30	\$		\$		\$	184,59	
Quantity Dollars  ALLOWANCES From Market; Quantity	\$ 185	06   S	-	\$	30	\$					184.59	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 8,2 \$ 185 FROM PURCH	06   S	-	\$	30 0.67	\$	-	\$	-	\$	184,59	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 8,2 \$ 185 FROM PURCH	06   S	-	\$	30 0.67	\$	-	\$	-	\$	184,59	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	8,2 \$ 185	06   S   S   S   S   S   S   S   S   S	-	\$ \$	30 0.67	\$ \$	-	\$ \$	-	\$	184,59	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 8,2 \$ 185 FROM PURCH	06   S		\$	30 0.67	\$	-	\$	-	\$	184.59	

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of December 2010

	Beginnin Inventor		Allocations Purchases		Utiliz (Coal F		Utili (Other		\$o	ld		nding entory	Allocation, Purchase, o Sale Date & Vintage Ye	er árs
	HITCHON	_	1 dicinases		\cour i		(00,00)							
TOTAL EMISSI	ONALLOWA	ICES	IN INVENTO	)RV	ALL CLA	SSIFIC	ATIONS							
Quantity		065	ATT ATT ATT	0	TEDD CE	0	T T T T T T T T T T T T T T T T T T T	0	-	0	_	1,065		
Dollars		0.99	\$	-	\$	-	\$		\$	-	\$	20.99		
\$/Allowance			\$	-	S		2		\$	-	\$	0.02		
on Biomanos	1-	3.02					1				+			
ALLOCATED A	LLOWANCES	FRO	M EPA: COA	LF	UEL									
Quantity	1	978		_		_				-		978		
Dollars	IS 1	9.28	\$	_	\$		\$		\$	-	\$	19,28		
		$\neg$					-							
		_												
ALLOCATED A	LLOWANCES	FRO	M ÉPA: OTH	IER	FUELS									
	LLOWANCES	_		IER	FUELS		ı					87 ]		
Quantity		87		_	FUELS \$		\$	-	S		S	87		
Quantity		87		-			\$	-	S		S			
ALLOCATED A Quantity Dollars		87		-	\$		\$	-	\$		\$			
Quantity Dollars	\$	87 1.71	\$	-	\$		\$	-	S		\$			
Quantity Dollars ALLOWANCES	\$	87 1.71	\$	-	\$		\$	-	S		\$			
Quantity Dollars  ALLOWANCES From Market:	\$	87 1.71	\$	-	\$			0	\$		\$			
Quantity Dollars  ALLOWANCES From Market: Quantity	\$	87 1.71 HASE	\$	-	\$	-		-	\$		\$	1.71		
Quantity	S FROM PURC	87 1.71 HASE	\$	0	\$	0		-		0		0		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ FROM PURC	87 1.71 HASE	\$ :S:	0	\$	0	\$	0	\$	0	\$	0		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ FROM PURC	87 1.71 HASE	\$ :S:	0	\$	0	\$	0	\$	0	\$	0		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	\$ FROM PURC	87 1.71 HASE	\$ :S:	0	\$	0	\$ \$	0	\$	0	\$	0		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ FROM PURC	87 1.71 HASE 0	\$ :S:	0	\$	0	\$ \$	0	\$	0	\$	0		

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of December 2010

,	Beginning		locations/		tilized		Utilized				Ending	Allocation, Purchase, or
	Inventory	P	urchases	(C	sai Fuei)	(0	ther Fuels)		Sold	<u> </u>	Inventory	Sale Date & Vintage Years
				1								
<u> FOTAL EM</u> ISSIO	N ALLOWANO	ES IN I	VENTORY	, ALL	CLASSIFIC	ATION\$						
Quantity	76	3	1,500		1,469		17		0	<u> </u>	777	
Dollars	\$ -	\$	-	\$	-	\$	_	\$	-	\$	-	
\$/Allowance	\$ -	\$		\$		\$		\$	-	\$_	-	
									_			
ALLOCATED AL	LOWANCES F	ROM EF	A: COAL F	UEL								
Quantity	67	'3	-		1,469		-				704	Ending Inventory includes purchase from KU as shown below.
Dollars	\$ -	\$	-	\$		S		\$	-	\$		
					_							
ALLOCATED AL	LOWANCES F	ROM EF	A: OTHER	FUELS								
Quantity	- 9	0		ì			17	$\Box$	-	П	73	
Dollars	\$ -	\$		\$		\$	-	\$	-	\$	-	
					<u>.</u>							
ALLOWANCES I	FDOM DUDCH	OBO										
ALLOW ANCED I	INOM LONCID	ASES:										
	KOMTOKCIL	ASES:										
rom Market:		0	0		0		0		0		0	
rom Market: Quantity	\$ -	ĺ	0	\$	0	\$	0	\$	0	\$	0	
rom Market: Quantity Dollars		0		\$		\$		\$	0	\$		
rom Market: Quantity Dollars	\$ -	0 \$	-	_				_	0	<del>-</del>	-	
rom Market: Quantity Dollars \$/Allowance	\$ -	0 \$	-	_				_	0	<del>-</del>	-	
rom Market: Quantity Dollars 5/Allowance	\$ -	0 \$	-	\$				_	0	<del>-</del>	-	Purchase from KU - included in Ending Inventory - Coal Fuel
Crom Market: Quantity Dollars S/Allowance Prom KU: Quantity Dollars	\$ -	0 \$	-	\$	-		- -	_	-	<del>-</del>	-	Purchase from KU - included in Ending Inventory - Coal Fuel as shown above.

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2010

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables		-		
506155 - ECR NOx Operation Labor and Other			-	
512151 - ECR NOx Maintenance		-	-	
Total 2001 Plan O&M Expenses			-	<u> </u>
2005 Plan				
502056-ECR Scrubber Operations			88,311.97	88,311.97
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	88,311.97	88,311.97
2006 Plan				
506159 - ECR Sorbent Injection Operation		-	83,365.41	83,365.41
512152 - ECR Sorbent Injection Maintenance		- (	1,889.80	1,889.80
506150 - ECR Mercury Monitors Operation	-	- (		-
512153 - ECR Mercury Monitors Maintenance	-	2,120.31	-	2,120.31
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance				-
506154 - BCR NOx Operation Consumables			-	-
506155 - ECR NOx Operation Labor and Other			-	<u> </u>
512151 - ECR NOx Maintenance			-	
506051 - ECR Precipitator Operation			~	
506151 - ECR Activated Carbon			-	
512051 - ECR Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	\$ -	2,120.31	85,255.21	87,375.52
2009 Plan				
502012 - ECR Landfill Operations	-			-
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses	<u> </u>			
Current Month O&M Expense for All Plans	10	2,120.31	173,567.18	175,687.49

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third			
Party	O&M Expense Account	Plant	Total O&M
otal Monthly Bene	ficial Reuse Expense		1\$
Otal Hiolitiny Delic	Hotal Redoc Expense		Ψ
1'	G :-   D :- D :-   FG F : 2	(1)	10
	eficial Reuse in Base Rates (from ES Form 2	.01)	\$ -
let Beneficial Reus	e O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane R	นก	Mill Creek		Trimble	County	Total_
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$	- \$			\$	-	
(2) Monthly Amount [(1) / 12]	\$	- \$		-	\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	- \$		- 1	\$	-	
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	- \$			\$	-	
Beneficial Reuse in Base Rates		<del>-  -</del>			<u> </u>		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$		•	\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	- \$			\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	-   \$	- \$			\$		
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	- \$		-	\$	-	
If Line (8) Greater than Zero, No Adjustment	<del> </del>					-	
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	18	- 15			\$		<u> </u>

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: December 31, 2010

			Kentucky Jurisd	ictional Revenues			Non- Jurisdictional Revenues	Total Compar	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rarc Revenues	Fuel Clause Revenues	DSM Rev <del>e</del> nues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge  (9)-(5)
Jan-10	66,862,994	(950,652)	1,556,289	1,306,389	68,775,021	67,468,632	10,796,885	79,571,906	78,265,517
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	[00,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
for 12 Months Endin	g Current Expense Mon					s 71,544,113			<u> </u>
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				83.46%
							Note 1 - Excludes Tot	Brokered Sales, al for Current Month =	\$ 181,024,00

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2010

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



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

RECEIVED

FEB 18 2011

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

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

February 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

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

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

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

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 792,420

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

1.09%

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

Submitted by:

Title: Director, Rates

Date Submitted: February 18, 2011

**ES FORM 1.10** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of January 2011

#### Calculation of Total E(m)

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 = Compliance Rate Base

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Environmental Compliance Plans				
(1) RB (2) RB/12		=	\$ 72,440,628 6,036,719				
	DR) (TR / (1 - TR)))	=	11.18%				
(4) OE		=	236,209				
(5) BAS			52				
(6) BR		=	-				
(7) E(m)	(2) × (3) + (4) - (5) + (6)	-	\$ 911,062				

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	-		81.57%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	2	743,153
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	=		795,605
(H)	Prior Period Adjustment (if necessary)	-		-
(12)	Adjusted Jurisdictional $E(m) = [(9) + (10) + (11)]$	=		1,538,758
(13)	Revenue Collected through Base Rates	=	\$	746,338
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$	792,420
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	72,673,888
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=		1.09%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

**Determination of Pollution Control Operating Expenses** 

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

Determination of Beneficial Reuse Operating Expenses

Determination of Denoticial feeds o perating Expenses		
	Environm	ental
	Compliance	e Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	S	-

Proceeds From By-Product and Allowance Sales

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

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2011

(1)	(2)			(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	Eligible Eligible escription Plant In Accumulated Service Depreciation		cumulated	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2011		Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Ta Expense		
						· · · ·		(2)-(3)+(4)					· ·		<del></del> ·
					Ī										
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	s	-	s	-	s	-		s	-	\$	-
Subtotal	\$	_	S		\$	_	s		\$	-		\$		S	
Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	5	-	s	-	\$	-	\$	-		s	-	\$	**
Net Total - 2001 Plan:	s		\$		\$		\$	<del></del>	\$	-		\$		\$	-
					1								•		
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion	S	-	\$		\$	-	s		\$	-		5	*	s	
Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek	5	-	2		2 2		3		\$	-		\$ 5	-	\$	•
Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	s	-	\$	-	\$	-	\$	-	\$	-		ŝ	- :	\$	-
Subtotal	2	-	s	-	\$		\$	-	\$	-	<u> </u>	S	-	\$	
Less Retirements and Replacement resulting from implementation of 2003 Plan	2	-	3	-	s	-	\$	-	\$	-		s		2	
Net Total - 2003 Plan:	\$	-	\$	-	\$		Ś	-	\$			\$	-	\$	-
2005 Ріал:															
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,607,107	\$	425,934	s	1,673,611	s	5,854,785	s	252,416		\$	9,741	s	733
Project 12 - Special Waste Landfill Expansion at Cane Run Station	s	4,730,568	\$	329,363	\$	562,431	s	4,963,636	\$	284,317		\$	8,397	\$	622
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	S	850,100	\$	94,723	\$	-	2	755,377	\$	85,633		5	2,564	\$	95
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	S	308,507	\$	45,948	\$	-	\$	262,559	\$	18,845		\$	1,147	\$	33
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$	-	\$	-		2	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	S	7,361,077	2	1,275,761	\$		\$	6,085,317	\$	1,100,651		2	22,206	\$	763
Subtotal	S 1	7,857,360	2	2,171,729	\$	2,236,042	\$	17,921,674	S	1,741,862		2	44,055	\$	2,246
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (	1,191,665)	1	(548,068)	2	-	s	(643,598)	\$	(131,696)		5	(3,438)	s	(80)
Net Total - 2005 Plan:	\$ 1	6,665,695	S	1,623,661	\$	2,236,042	\$	17,278,076	\$	1,610,166		\$	40,616	\$	2,166

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2011		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly operty Tax Expense
		·						(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	42,999,801 3,440,076 2,050,346 397,151	\$	75,426 259,068 184,428 67,778	\$	- 444,939 - -	\$ \$ \$	42,924,375 3,625,947 1,865,918 329,373	\$ \$	68,111 253,370 50,513 74,448	\$	10,026	\$ \$ \$ \$ \$ \$ \$	75,426 9,777 8,867 1,361	\$	5,414 454 234 4)
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	2	48,887,375	\$	586,700	\$	444,939	\$ \$	48,745,613	s	446,442	\$	10,026	s s	95,431	\$	6,144
Net Total - 2006 Plan:	\$	48,887,375	\$	586,700	\$	444,939	2	48,745,613	S	446,442	\$	10,026	\$	95,431	Š	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$	- - -	2 2 2	854,538 5,825,093 1,249,933 286,415	\$	854,538 5,825,093 1,249,933 286,415	\$	-			\$ \$ \$ \$		\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$ s	- - -	3	8,215,979	\$	8,215,979	\$	-			\$ \$	-	s	989
Net Total - 2009 Plan:	\$		\$	-	\$	8,215,979	5	8,215,979	\$	-			S		\$	989
Net Total - All Plans:	\$	65,553,070	S	2,210,362	S	10,896,961	\$	74,239,668	2	2,056,608	S	10,026	\$	136,047	5	9,299

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

Inventory of Emission Allowances

For the Month Ended: January 31, 2011

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dollar Value Of Vinta	ige Year	Comments and Explanations
1	SO ₂	NOx	NOx	SO₂	NОх	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	176,583	13,352		\$ 2,603.92	\$ -	\$ 20.99	
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379				Į.		
2017	62,379				1		
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379					_	
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379				· <del>-</del> ·		
2030	62,379				i e		_
2031 - 2040	623,790			<u> </u>	i		

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of January 2011

(Coal Fuel)  RY, ALL CLASSIF  0 3,53  \$ 52.1  \$ 0.0	(Other Fuels)  IONS  0 - S - S	3,519 176,583 51.89 \$ 2,603.92	Sale Date & Vintage Years
3,53 \$ 52.1 \$ 0.0			
\$ 52.1 \$ 0.0	- \$		
\$ 0.0		51.80 \$ 2.603.92	
	. 2	21.07 0 2,002.72	
FUEL		0.01 \$ 0.01	
		-	
			Allowances sold to KU (3,519); Beginning inventory balance include
3,48			62,379 allowances for 2011.
69 \$ 51.4	- \$	51.89 \$ 2,482.78	<del></del>
on runs o			
ER FUELS 5	.	- 8,215	1
69) \$ 0.7	- s	- \$ 121.14	
37) \$ 0.7	- 5	- 121,17	+
-		<u> </u>	
<u> </u>	- \$	<u> </u>	
- S	- \$	- \$	
$\overline{}$		<del></del>	
	-		
<del>                                     </del>	- s	- \$ -	
- h		- \$ -	1
		- \$ - \$ - \$	- \$ - \$ - \$ -

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of January 2011

	Begin	ning	Allocation	ns/	Utiliz	æd	Utilized				Ending	Allocation, Purchase, or
	Inven		Purchase	:S	(Coal F	Tuel)	(Other Fuels)	)	Sold		Inventory	Sale Date & Vintage Years
					•				<del></del>			-
TOTAL EMISSI	ON ALLOV	WANCES	IN INVENT	ORY	ALL CLA	SSIFIC	ATIONS					
Quantity		7,277		0		0		0	(	)	7,277	
Dollars	\$	20,99	\$		\$	-	\$	-	\$ -	\$	20,99	
\$/Allowance	S	-	\$	-	\$	-	\$	-	\$ -	\$		
ALLOCATED A	LLOWANG	CES FRO	M EPA: CO	AL F	UEL							
Quantity		7,106		-		-		-	-			Beginning balance includes 6,128 allowances for 2011
Dollars	\$	19,28	\$	1.21	S	-	\$	_	\$ -	\$	20,49	
	1											
ALLOCATED A	LLOWANG	CES FRO	м ера: от	HER	FUELS							
ALLOCATED A Quantity	LLOWANG	CES FRO	M EPA: OT	HER -	FUELS			ш	-	1		Beginning balance includes 84 allowances for 2011
	LLOWANG						\$	u -	\$ -	\$	171 0.50	Beginning balance includes 84 allowances for 2011
Quantity		171		-			\$	-		\$		Beginning balance includes 84 allowances for 2011
Quantity		171		-			\$	-		\$		Beginning balance includes 84 allowances for 2011
Quantity	\$	171 1.71	\$	-			s	-		\$		Beginning balance includes 84 allowances for 2011
Quantity Dollars	\$	171 1.71	\$	-			s	-	\$		0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars ALLOWANCES	\$	171 1.71	\$	-			s	-	\$	\$		Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market:	\$	171 1.71 JRCHAS	\$	- (1.21)	\$	ys.	\$		\$ -	3 \$	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PU	171 1.71 JRCHAS	S ES:	0	\$	0		0	\$	0	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PU	171 1.71 URCHAS	ES:	0	\$	0	\$	0	\$ -	3 \$	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PU	171 1.71 URCHAS	ES:	0	\$	0	\$	0	\$ - \$ -	3 \$ \$	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PU	171 1.71 URCHAS	ES:	0	\$	0	\$	0	\$ - \$ -	3 \$	0.50	Beginning balance includes 84 allowances for 2011
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU;	FROM PU	171 1.71 URCHAS	ES:	0	\$	0	\$	0	\$ - \$ -	3 \$ \$	0.50	Beginning balance includes 84 allowances for 2011

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of January 2011

\$\frac{1}{3} \text{Allowance} \$ - \ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0 1,556 - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ -	ASSIFICATIONS 1,556 - \$ - \$ 1,556 - \$	2 - \$ - \$ - \$ - \$ - \$	0	\$	
Quantity         14,910           Dollars         \$ - \$ \$           \$/Allowance         \$ - \$ -           ALLOCATED ALLOWANCES FROM EPA: COAl Quantity         14,734 -           Dollars         \$ - \$           ALLOCATED ALLOWANCES FROM EPA: OTHIO Quantity         176 -           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES: From Market: Quantity         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	0 1,556 - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ -	1,556 - \$ - \$ 1,556 - \$	- \$ - \$	-	\$ 13,1 \$	178 Beginning balance includes 14,030 allowances for 2011  174 Beginning balance includes 103 allowances for 2011
Quantity         14,910           Dollars         \$ - \$ \$           \$/Allowance         \$ - \$ -           ALLOCATED ALLOWANCES FROM EPA: COAl Quantity         14,734 -           Dollars         \$ - \$           ALLOCATED ALLOWANCES FROM EPA: OTHIO Quantity         176 -           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES: From Market: Quantity         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	0 1,556 - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ -	1,556 - \$ - \$ 1,556 - \$	- \$ - \$	-	\$ 13,1 \$	178 Beginning balance includes 14,030 allowances for 2011  174 Beginning balance includes 103 allowances for 2011
Quantity         14,910           Dollars         \$ - \$ \$           \$/Allowance         \$ - \$ -           ALLOCATED ALLOWANCES FROM EPA: COAl Quantity         14,734 -           Dollars         \$ - \$           ALLOCATED ALLOWANCES FROM EPA: OTHI         Quantity           Quantity         176 -           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:         From Market:           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	0 1,556 - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ -	1,556 - \$ - \$ 1,556 - \$	- \$ - \$	-	\$ 13,1 \$	178 Beginning balance includes 14,030 allowances for 2011  174 Beginning balance includes 103 allowances for 2011
\$\frac{1}{\sqrt{1}}\$  \text{S/Allowance}  \text{\$ - \ \$ }  \$ - \ \$	L FUEL - 1,556 - \$ ER FUELS - \$ 0 (	- \$ 1,556 - \$	- \$ - \$	-	13,1	178 Beginning balance includes 14,030 allowances for 2011  174 Beginning balance includes 103 allowances for 2011
ALLOCATED ALLOWANCES FROM EPA: COAl Quantity 14,734	L FUEL - 1,556 - \$	1,556	- \$	-	13,1	178 Beginning balance includes 14,030 allowances for 2011
Quantity         14,734           Dollars         \$ - \$           ALLOCATED ALLOWANCES FROM EPA: OTH           Quantity         176           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         Quantity           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	- 1,556 - \$ ER FUELS \$	- \$	- \$	-	\$ -	174 Beginning balance includes 103 allowances for 2011
Quantity         14,734           Dollars         \$ - \$           ALLOCATED ALLOWANCES FROM EPA: OTH           Quantity         176           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         Quantity           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	- 1,556 - \$ ER FUELS \$	- \$	- \$	-	\$ -	174 Beginning balance includes 103 allowances for 2011
ALLOCATED ALLOWANCES FROM EPA: OTH    Quantity	ER FUELS	- \$	- \$	-	\$ -	174 Beginning balance includes 103 allowances for 2011
ALLOCATED ALLOWANCES FROM EPA: OTHI  Quantity 176   Dollars \$ - \$ - \$  ALLOWANCES FROM PURCHASES:  From Market:  Quantity 0 Dollars \$ - \$  \$/Allowance \$ - \$  From KU:  Quantity 0	ER FUELS \$ -		2	-	1	
Quantity         176           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$           From KU:         Quantity           Quantity         0	-				<del> </del>	
Quantity         176           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$           From KU:         Quantity           Quantity         0	-			-	<del> </del>	
Quantity         176           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	-			-	<del> </del>	
Dollars	0 (			-	<del> </del>	
ALLOWANCES FROM PURCHASES:  From Market:  Quantity  Dollars  \$ - \$ \$ //Allowance  \$ - \$  From KU:  Quantity  Quantity  Quantity  Quantity  Quantity  Quantity	0 (	- \$	- \$		-	-
From Market:         Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$           From KU:         Quantity         0	- \$ -				1	
From Market:         Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$           From KU:         Quantity	- \$ -					
From Market:  Quantity  Doilars  \$ - \$ \$/Allowance  From KU:  Quantity  0	- \$ -					
Quantity         0           Doilars         \$ - \$           \$/Allowance         \$ - \$           From KU:         Quantity	- \$ -					
Dollars	- \$ -					
\$/Allowance		0	0	0		0
From KU: Quantity 0	-   \$		- \$	-	*	-
Quantity 0		<b>- \$</b>	- \$	-	\$	- <u> </u>
Quantity 0	1					
2						
Dollare \$ . \$		0	0	0	<u> </u>	0
	- \$ -	- \$	- \$		\$	_
\$/Allowance	- S -	-   \$	- (\$		S	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2011

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables				
506155 - ECR NOx Operation Labor and Other			_	
512151 - ECR NOx Maintenance			-	_
Total 2001 Plan O&M Expenses		-		
2005 Plan			•	
502056-ECR Scrubber Operations			40,777,14	40,777.14
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense				-
Total 2005 Plan O&M Expenses	Name of Street	-	40,777.14	40,777.14
2006 Plan				
506159 - ECR Sorbent Injection Operation			7,777.35	7,777.35
506152 - ECR Sorbent Reactant - Reagent Only			38,590.38	38,590.38
512152 - ECR Sorbent Injection Maintenance		-	94,26	94.26
506150 - ECR Mercury Monitors Operation		-		
512153 - ECR Mercury Monitors Maintenance	-	270.55	-	270,55
502056 - ECR Scrubber Operations		_	4,989.02	4,989.02
512055 - ECR Scrubber Maintenance			2,263.03	2,263,03
506154 - ECR NOx Operation Consumables			5,504.32	5,504.32
506155 - ECR NOx Operation Labor and Other			285.96	285.96
512151 - ECR NOx Maintenance			52.40	52.40
506051 - ECR Precipitator Operation			-	
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance			284.55	284.55
Total 2006 Plan O&M Expenses	- \$	270.55	59,841.27	60,111.82
2009 Plan				
502012 - ECR Landfill Operations	_		-	-
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	_
Net 2009 Plan O&M Expenses		. <u>.</u>	-	•
Current Month O&M Expense for All Plans		270,55	100.618.41 [	100,888.96

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third			
Party	O&M Expense Account	Plant	Total O&M
	-		
otal Monthly Bene	ficial Reuse Expense		\$
djustment for Bene	eficial Reuse in Base Rates (from ES Form 2.	.61)	\$
	e O&M Expense		1 0

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cai	ne Run	M	fill Creek	Trimb	le County	Total
The state of the s							
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					- b		
(1) 12 Months Ending with Expense Month	\$		\$	-	\$	-	
(2) Monthly Amount [(1) / 12]	\$		\$		\$		1
2009 Plan Project 25			<del>                                     </del>				
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$	-	
Total Beneficial Reuse - Generating Station			<del>                                     </del>		+		
(4) Monthly Expense [(2) + (3)]	\$	*	\$	-	\$	-	·
Beneficial Reuse in Base Rates	+		<del> </del>				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	_	
(6) Monthly Expense Amount [(5) / 12]	\$		\$	-	\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	<u>.</u>	\$		\$	•	<u> </u>
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$	-	\$		
If Line (8) Greater than Zero, No Adjustment			<u> </u>				
If Line (8) Less than Zero, Adjustment for Base Rates							
A Justin and Co. Dana Data Amount (to DC Darm 2 (0)	1.0	-	1 6		16		
Adjustment for Base Rate Amount (to ES Form 2.60)	<u> </u>		1 3				<u> </u>

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: January 31, 2011

	Non- Kentucky Jurisdictional Revenues Jurisdicti Revenue Revenue							Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)	Total Excluding Environmental Surcharge (6)-(5)	Total including Off-System Sales (See Note 1)	Total (6)+(8)	Total Excluding Environmental Surcharge  (9)-(5)
Feb-10	62,148,756	96,267	1,383,572	1,807,451	65,436,045	63,628,594	15,594,307	81,030,352	79,222,901
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
for 12 Months Endi	urisdictional Revenues, E ng Current Expense Mor	nth.				\$ 72,673,888			
	ation Percentage for Cur								
Expense Month K	entucky Jurisdictional R	evenues Divided by Exp	ense Month Total Comp	any Revenues: Column	(7) / Column (10) =				81.57%
							Note 1 - Exclude: To	s Brokered Sales, tal for Current Month =	\$ (7,240.93

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2011

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



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

MAR 1 8 2011
PUBLIC SERVICE
COMMISSION

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

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

March 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely.

Rohert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,025,872

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

1.41%

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

lubmitted by: 🥆

Title: Director, Rates

Date Submitted: March 18, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of February 2011

#### Calculation of Total E(m)

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

	-			Елуіголіпо	ental Compliance Plans
(1)	RB		=	\$	72,365,045
(2)	RB / 12		=		6,030,420
(3)	(ROR+(ROR-	DR) (TR / (1 - TR)))	-		11.18%
(4)	OE		=		366,283
(5)	BAS		=		103
(6)	BR		=		-
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	•	\$	1,040,381

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	82,87%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	\$ 862,164
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00242	ᇤ	795,605
(11)	Prior Period Adjustment (if necessary)	=	-
(12)	Adjusted Jurisdictional $E(m) = [(9) + (10) + (11)]$	=	1,657,769
(13)	Revenue Collected through Base Rates	=	\$ 631,897
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	\$ 1,025,872
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$ 72,968,060
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) : (15)]	=	1,41%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

**Determination of Pollution Control Operating Expenses** 

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

Determination of Beneficial Reuse Operating Expenses

Determination of Mentional Mention Operating Expenses		
	Envir	onmental
	Compl	iance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 103	\$ -	\$ 103
Scrubber By-Products Sales	-		-
Total Proceeds from Sales	\$ 103	-	\$ 103

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/28/20	Monthly ITC Amortization Credit	De	Monthly epreciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)			<u> </u>				<u> </u>
2001 Plan: Project 6 - LGE NOx	\$	-	\$	-	s	-	\$	-	\$	-		s	-	\$	
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	s s	-	2		\$		\$	-	···	s s	-	\$	
Net Total - 2001 Plan:	\$		\$		\$	-	\$		\$			\$		\$	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$ \$ \$		\$ \$ \$		\$ \$	-	\$ \$ \$		\$ \$			\$ 5	-	\$ \$ \$	:
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	2	-	\$	-	\$	-	\$	-	\$ S	-		\$		\$	•
Net Total - 2003 Plan:	5		\$		\$		\$		\$			S		\$	
2005 Ptan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$	4,607,107 4,730,568 850,100 308,507 7,361,077 17,857,360 (1,191,665)	\$ \$ \$	435,675 337,760 97,288 47,095 1,297,966 2,215,784 (548,068)	\$ \$	1,674,354 574,396 - - - - - - - - - - - -	\$ \$ \$ \$	5,845,787 4,967,204 752,813 261,412 6,063,111 17,890,326 (643,598)	\$ \$ \$	257,276 290,034 87,635 18,975 1,117,291 1,771,211 (131,696)		\$ \$ \$ \$ \$ \$ \$	9,741 8,397 2,564 1,147 22,206 44,055 (3,438)	\$	733 622 95 33 763
Net Total - 2005 Plan:	1 5	16,665,695	<u> </u>	1,667,716	2	2,248,750	L Iŝ	17,246,729	\$	1,639,514	<u> </u>	<u> </u>	40,616	<u> </u>	2,166

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2011

(1)	]	(2)		(3)		(4)		(5)		(6)	_	.(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/28/2011	ידו	Monthly C Amortization Credit	ì	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$		\$	226,279 268,845 193,295 69,139	\$ \$	11,430 444,939 - -	\$ \$ \$	42,784,952 3,616,171 1,857,051 328,012	\$ \$	108,057 261,903 51,980 75,465		14,527	\$ \$ \$	1,361	\$ \$ \$	5,414 454 234 41
Subtotal	\$	48,887,375	\$	757,558	\$	456,369	\$	48,586,186	\$	497,405	S	14,527	\$	170,857	S	6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	5	-	s	-	\$	-	s	-	s		\$	-
Net Total - 2006 Plan:	. \$	48,887,375	\$	757,558	\$	456,369	8	48,586,186	\$	497,405	\$	14,527	5	170,857	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/OSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$	: : :	\$ \$ \$	931,134 5,837,209 1,339,520 314,494	2	931,134 5,837,209 1,339,520 314,494	S S	: : :			\$ 5 5	- - -	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	8,422,356	\$	8,422,356	s	-			\$	-	\$	989
Net Total - 2009 Plan;	\$		2		\$	8,422,356	5	8,422,356	\$	-	T		S		S	989
	<u> </u>		Ì		Ĺ						Ī		Ī.,			
Net Total - All Plans:	\$	65,553,070	\$	2,425,274	\$	11,127,475	S	74,255,271	\$.	2,136,919	\$	14,527	\$	211,473	\$	9,299

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

Inventory of Emission Allowances

For the Month Ended: February 28, 2011

Vintage Year	Nur	mber of Allowand	ces	Tot	al Dollar Val	ue Of Vintage	Year		Comments and Explanations
	SQ ₂	NOx	NOx	SO ₂	1	IOx		NOx	
		Annual	Ozone Season		Aı	าทบลไ	(	Ozone Season	
Current Year	166,952	12,125	7,277	\$ 2,461.90	\$	-	\$	20.99	
2012	62,379	14,133	6,212						
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379						] _		
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031 - 2040	623,790								

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of February 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	ļ	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS		_			
Quantity	176,583		2,618		0	7,013		166,952	
Dollars	\$ 2,603,92		\$ 38.60	\$ -	\$	103,42	\$	2,461.90	
\$/Allowance		\$ -	\$ 0.01		\$	0.01		0.01	<u> </u>
ALLOCATED A	LLOWANCES FR								
Quantity	168,368		2,572			7,013		158,783	Allowances sold to KU (7,013)
Dollars	\$ 2,482.78	\$ -	\$ 37.92	\$	\$	103.42	2	2,341.44	
							<u> </u>		<u> </u>
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	FUELS						
Quantity	8,215		46			_	$\overline{}$	8,169	
Dollars	\$ 121.14		\$ 0.68		\$		\$	120.46	
	-				_		$\vdash$		
	FROM PURCHAS	SES:							
rom Market:									
Quantity			-						
Dollars	S	\$ -	\$	\$ -	- 4		\$		
\$/Allowance	\$	\$ -	\$ -	\$ -	\$		\$		<u> </u>
							<del></del> .		<u> </u>
From KU							<u> </u>		
Quantity	-	-					ļ		
Dollars	\$ -	S -	\$	\$		-	\$		
\$/Allowance	\$ -	\$ -	\$ -	\$ -	18		\$		<u> </u>

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of February 2011

<u> </u>	Beginning	Allocation	ıs/	Utilized	Utilized			T	Ending	Allocation, Purchase, or
	Inventory	Purchases	s l	(Coal Fuel)	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
·- <del></del> -						-			· -	
TOTAL EMISSI	ON ALLOWANG	CES IN INVENT	ORY, AL	L CLASSIFIC	ATIONS					
Quantity	7,2	77	0	. 0		0		)	7,277	
Dollars	\$ 20.9	99 \$	- \$	-	\$	-	\$ -	\$	20,99	
\$/Allowance	-	\$	- \$	_	\$	-	<b>S</b> -	\$		
										<del>-</del>
ALLOCATED A			AL FUEL							
Quantity	7,10	06	-	-			-		7,106	
Dollars	\$ 20.4	49 \$	- \$		\$	-	\$ -	\$	20.49	
	<u></u>		\							
•										
ALLOCATED A			HER FUE	ELS						
Quantity	1,	71	-	-		_	-		171	
Dollars	\$ 0	50 \$	- \$		\$	-	\$ -	\$	0.50	
							<u> </u>	Ш.		
ALLOWANCES	FROM PURCH	ASES:								
From Market:										
Quantity		0	0	. 0		0		0	0	<u> </u>
Dollars	\$ -	\$	-  \$		\$	-	\$ -	\$	- 1	
\$/Allowance	\$ -	18	-   \$		\$	-	\$ -	\$		
From KU:										
Quantity		0	0	0		0		0	0	
Dollars	\$ -	\$	- \$	_	\$	-	\$ -	\$		
\$/Allowance	\$ -	\$	- \$		\$	-	S -	\$		
	<u> </u>				<del></del>		··			<del></del>

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of February 2011

	Beginning Inventory	Allocations/ Purchases		Utilized (Coal Fuel)	Utilize (Other Fr			Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTO	RY, AL	L CLASSIFIC	ATIONS						
Quantity	13,352		0	1,227		0		0	Γ	12,125	<u> </u>
Dollars	S -	\$ -	\$		\$	_	\$	_	\$		
\$/Allowance	\$ -	\$ -	\$	_	\$	u u	\$	-	\$_	-	
ALL OCATED AT	LLOWANCES FR	OM PDA. COAL	WYIET							-	
Quantity	13,178		FUEL	1,227	· —				Т—	11,951	
Dollars	\$ -	\$ -	\$	1,227	s		8		\$	- 11,731	<del>.</del>
LOHALS	-	-	-9				-		Ψ,	<del> </del>	<del></del>
Quantity Dollars	S -				-				+	174	
ALLOWANCES	FROM PURCHAS	SES:	-   \$		( \$		S		\$		
ALLOWANCES	FROM PURCHAS	SES:					2		3		
ALLOWANCES From Market: Quantity	FROM PURCHAS	SES:	0	0		0		0		0	
ALLOWANCES From Market; Quantity Dollars	FROM PURCHAS	SES:	0 \$		\$		\$		s		
ALLOWANCES From Market; Quantity Dollars	FROM PURCHAS	SES:	0 \$					0		0	
ALLOWANCES From Market; Quantity Dollars \$/Allowance	FROM PURCHAS	SES:	0 \$		\$	0	\$	0	s	0	
ALLOWANCES From Market; Quantity Dollars \$/Allowance	FROM PURCHAS	SES: 	0 \$	0	\$	0	\$	0	\$ \$	0	
<u>.                                      </u>	FROM PURCHAS	SES: 	0 \$		\$	0	\$	0	\$ \$	0	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2011

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables				
506155 - ECR NOx Operation Labor and Other				
512151 - ECR NOx Maintenance	_	-		
Total 2001 Plan O&M Expenses		-	-	
	<del></del>	········	<del></del>	
2005 Plan				
502056-ECR Scrubber Operations			55,771.57	55,771.57
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense				-
Total 2005 Plan O&M Expenses			55,771.57	55,771.57
2006 Plan				
506159 - ECR Sorbent Injection Operation			7,055.45	7,055.45
506152 - BCR Sorbent Reactant - Reagent Only	_	-	37,726.33	37,726.33
512152 - ECR Sorbent Injection Maintenance	_		443.43	443.43
506150 - ECR Mercury Monitors Operation			- 113,43	113,43
512153 - ECR Mercury Monitors Maintenance		8,996.11		8,996.11
502056 - ECR Scrubber Operations		5,370.11	12,009,53	12,009.53
512055 - ECR Scrubber Maintenance			5,170.82	5,170.82
506154 - ECR NOx Operation - Consumables			18,102.67	18,102.67
506155 - ECR NOx Operation - Labor and Other			401.38	401,38
512151 - ECR NOx Maintenance			174.61	174.61
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon			13,092.99	13,092.99
512051 - ECR Precipitator Maintenance			1,093.49	1,093,49
Total 2006 Plan O&M Expenses	\$ -	8,996.11	95,270,70	104,266.81
2009 Plan				
502012 - ECR Landfill Operations	-		-	<u> </u>
512105 - ECR Landfill Maintenance	-			<del></del>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	<del>-</del>		-	<del>_</del>
Net 2009 Plan O&M Expenses		<u>-</u> -,.		<u>-</u>
Current Month O&M Expense for All Plans	- 15	8,996.11	151,042,27	160,038,38
Party in the said Dyburg for the Light		0,790.11	101,042.27	100,030.30

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

Note 2: ES Form 2,51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third		A.v.	1 1 2 2 2 2 2 2
Party	O&M Expense Account	Plant	Total O&M
		1	
		-	
			-
Total Monthly Bene	ficial Reuse Expense		-
Adjustment for Bene	eficial Reuse in Base Rates (from ES Form 2	.61)	\$ -
Net Beneficial Reus			\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Ca	ne Run	<u> </u>	Mill Creek		Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			Т				
(1) 12 Months Ending with Expense Month	\$		\$		- 15	-	
(2) Monthly Amount [(1) / 12]	\$		\$		- 4		
2009 Plan Project 25	<del>-</del>		<del> </del> -				<u> </u>
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		- 1	§	
Total Beneficial Reuse - Generating Station					-		
(4) Monthly Expense [(2) + (3)]	\$		\$		- !		
Beneficial Reuse in Base Rates	_		$\vdash$		-		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$		- (	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$		- !	\$	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$		-   :	\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$			\$ <u>-</u>	
If Line (8) Greater than Zero, No Adjustment			+	<del>_</del> .	$\dashv$		<u> </u>
If Line (8) Less than Zero, Adjustment for Base Rates							
djustment for Base Rate Amount (to ES Form 2.60)	1.\$		1.8		- 19		<u> </u>

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: February 28, 2011

			Kentucky Juriso		Non- Jurisdictional Revenues	Tetal Compa	ny Revenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
	-				(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Mar-10	60,197,936	1,038,847	1,284,971	1,403,818	63,925,572	62,521,754	7,802,512	71,728,084	70,324,266
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,466
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
for 12 Months Endin	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  \$ 72,968,060  Jurisdictional Allocation Percentage for Current Month (Environmental Surcharge Excluded from Calculations):								
		rent Month (Environment evenues Divided by Expe			(7) / Column (10) =				82.87%
							Note I - Exclude To	s Brokered Sales, etal for Current Month =	\$ (58,319,82

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2011

		Revenues per	R	evenues per
		Form 3.00	Inco	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	63,590,360	\$	63,590,360
Fuel Adjustment Clause	\$	2,158,942	\$	2,158,942
DSM	\$	1,409,347	\$	1,409,347
Environmental Surcharge			\$	819,108
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	67,158,649		
Non -Jurisdictional Revenues	đ	13,880,982	\$	13,880,982
InterSystem (Total Less Transmission Portion Booked in Account 447)	3		<u> </u>	13,000,902
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	2	13,880,982		
Total Company Revenues for Environmental Surcharge Purposes =	\$	81,039,631		
Reconciling Revenues				
Brokered	₽ E	(58,320)	\$	(58,320)
InterSystem ( Transmission Portion Booked in Account 447)			\$	_
Unbilled			\$	(1,714,645)
Miscellaneous		<u> </u>	\$	1,306,174
Total Company Revenues per Income Statement =			\$	81,391,948



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

APR 19 2011

PUBLIC SERVICE COMMISSION

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

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

April 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 728,799

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

0.99%

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

Submitted by:

Title: Director, Rates

Date Submitted: April 19, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of March 2011

#### Calculation of Total E(m)

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

		Environmental Compliance Plans
(1)	RB =	• ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
(2)	RB / 12 =	0,002,177
(3)	(ROR + (ROR - DR) (TR / (1 - TR))) =	11.31%
(4)	OE =	550,100
(5)	BAS =	(221,343)
(6)	BR =	-
(7)	E(m) (2) x (3) + (4) - (5) + (6) =	\$ 1,263,375

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

4-5			00.050/
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	83,35%
(9)	Jurisdictional $E(m) = E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	= \$	1,053,023
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 10-242 & 10-475	=	317,225
(11)	Prior Period Adjustment (if necessary)	=	
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	1,370,248
(13)	Revenue Collected through Base Rates	= \$	641,449
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	728,799
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3,00	= \$	73,335,896
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0,99%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Con	npliance Plan
Eligible Pollution Control Plant	\$ 65,553,070	
Eligible Pollution CWIP Excluding AFUDC	11,872,442	
Subtotal	· \$	77,425,512
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	<b>.</b>	
Cash Working Capital Allowance	229,697	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal		229,697
Deductions:		1
Accumulated Depreciation on Eligible Pollution Control Plant	2,640,185	
Pollution Control Deferred Income Taxes	2,268,905	
Subtotal		4,909,090
Environmental Compliance Rate Base	\$	72,746,119

**Determination of Pollution Control Operating Expenses** 

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

**Determination of Beneficial Reuse Operating Expenses** 

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

Proceeds From By-Product and Allowance Sales

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

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2011

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

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2011		Monthly C Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$ \$	42,999,801 3,440,076 2,050,346 397,151	s s	377,132 278,621 202,162 70,500	\$ \$	160,606 444,939 - -	\$ \$ \$	42,783,275 3,606,394 1,848,184 326,651	\$	199,679 270,435 53,448 76,481	s	14,527	s s s	150,853 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal	\$	48,887,375	S	928,415	\$	605,545	\$	48,564,505	\$	600,042	\$	14,527	\$	170,857	\$	6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	s		s	-	s	-	\$	-	\$	-	\$	-	s	-	s	-
Net Total - 2006 Plan:	\$	48,887,375	\$	928,415	\$	605,545	\$	48,564,505	\$	600,042	\$	14,527	\$	170,857	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- - -	s s s		\$ \$ \$	366,454	\$ \$ \$	1,001,651 6,135,076 1,512,437 366,454	\$ \$ \$	- - -			\$ \$ \$	- - -	s s s	97 707 · 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	-	s s	-	\$	9,015,619	\$	9,015,619	s s				\$	-	\$	9 <b>8</b> 9 -
Net Total - 2009 Plan:	S	-	S	-	\$	9,015,619	\$	9,015,619	\$	-			\$	-	\$	. 989
Net Total - All Plans:	\$	65,553,070	S	2,640,185	\$	11,872,442	\$	74,785,326	\$	2,268,905	\$	14,527	\$	211,473	\$	9,299

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

Inventory of Emission Allowances

For the Month Ended: March 31, 2011

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dollar Value O	f Vintage Ye	ear	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx		NOx	
		Annual	Ozone Season		Annua		Ozone Season	
Current Year	164,370	10,723	7,277	\$ 2,423.83	\$	- \$	20.99	
2012	62,379	14,133	6,212					
2013	62,379	14,133	6,212					
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379	7						
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							·
2028	62,379						-	
2029	62,379							
2030	62,379							
2031 - 2040	623,790							

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2011

TOTAL EMISSION Quantity Dollars \$ \$/Allowance \$	166,952	IN INVENTORY	ALL CLASSIFIC				
Quantity Dollars \$	166,952		, ALL CLASSIFIC	ATIONS			
	\$ 2,461.90	. 0	2,582	0	. 0		
S/Allowance \$		\$ -	\$ 38.07	\$ -	\$ -	\$ 2,423.83	
-			\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED ALL	OWANCES FRO	M EPA: COAL F	UEL				
Quantity	158,783	-	2,531		-	156,252	
Dollars \$		\$ -	\$ 37.32	\$ -	\$ -	\$ 2,304.12	
ALLOCATED ALLO	OWANCES FRO	M EPA: OTHER	FUELS 51			8,118	
	\$ 120.46		\$ 0.75		\$ -	\$ 119.71	
2011a15 3	120.40	Ψ	0.75			117.7.1	The state of the s
ALLOWANCES FR	ROM PURCHASI	ES:					
Quantity	_	_	_	-	-	-	
	s -	\$ -	s -	-	-	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
rom KU							·.
Quantity	-	-	-	-	-		
Oollars 9	\$ -	\$ -	\$ -	-	\$ -	-	
\$/Allowance \$	\$ -	\$ -	\$ -	-	\$ -	\$ -	

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of March 2011

	Beg	inning	Allocat	tions/	Utili	zed	Utilized				Ending	Allocation, Purchase, or
		entory	Purch	ases	(Coal		(Other Fuels)		Sol	d	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLO	WANCES	IN INVE	NTORY	ALL CL	ASSIFIC	ATIONS		:			
Quantity		7,277		.0.		0		0		0	7,27	77
Dollars	\$	20.99	\$	-	\$	-	\$	-	\$	-	\$ 20.9	99
\$/Allowance	\$ -		\$	_	\$		\$	1	\$		\$ -	
	•				W							
ALLOCATED A	ALLOWA	NCES FRO	M EPA: (	COALF	UEL							
Quantity		7,106		-		-		-		-	7,10	
Dollars	\$	20.49	\$	-	\$		\$		\$	-	\$ 20.4	19
											2.5	
ALLOCATED A	ALLOWA		M EPA: (	OTHER	FUELS		,				10/81/010	
Quantity		171					,,	-		-	1.	
Dollars	\$	0.50	\$	_	\$		\$		\$	-	\$ 0	50
		- Webster										
ALLOWANCES	S FROM P	URCHAS	ES:								r	
From Market:												
Quantity		0		0		0		0		0		0
Dollars	\$		\$	-	\$		\$		\$	-	\$ -	
\$/Allowance	\$	<u></u>	\$		\$	-	\$	-	\$	-	\$ -	
										<del></del>	r	
From KU:												
Quantity	·	0		0		0		0		0		0
Dollars	`\$		\$	-	\$		\$		\$	_	-	
\$/Allowance	\$	-	\$		\$		\$		\$			

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

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	12,125	0	1,401	1	0	10,723	
Dollars	\$ -	-	\$ -	-	\$ -	\$ -	•
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
,		10/1-12					
ALLOCATED A	LLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	11,951	i -	1,401	-	-	10,550	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	FUELS				·
Quantity	174		-	1	-	173	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
***							
ALLOWANCES	FROM PURCHAS	SES:					
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	-						
From KU:					T		
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
				1 - Control			1
			270000				

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2011

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
OWN Expense Account	Calle Rull	Will Cleek	Tillible County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables	The state of the s	_	-	
506155 - ECR NOx Operation - Labor and Other		-	_	
512151 - ECR NOx Maintenance	A STATE OF THE STA		-	-
Total 2001 Plan O&M Expenses	The	-	-	_
0005 PM :				
2005 Plan		Basilman in Arbeit so it forman and the more confidence as a continu	10.076.05	10.000.00
502056-ECR Scrubber Operations			49,276.85	49,276.85
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-	10.076.05	40.076.05
Total 2005 Plan O&M Expenses		<u> </u>	49,276.85	49,276.85
2006 Plan				
506159 - ECR Sorbent Injection Operation			8,233.22	8,233.22
506152 - ECR Sorbent Reactant - Reagent Only		-	48,156.00	48,156.00
512152 - ECR Sorbent Injection Maintenance		-	-	-
506150 - ECR Mercury Monitors Operation	<u>-</u>	_	-	-
512153 - ECR Mercury Monitors Maintenance	-	11,364.00	-	11,364.00
502056 - ECR Scrubber Operations		MILLSON CONTROL TO	8,749.41	8,749.41
512055 - ECR Scrubber Maintenance			4,369.19	4,369.19
506154 - ECR NOx Operation Consumables			13,241.65	13,241.65
506155 - ECR NOx Operation Labor and Other			352.64	352.64
512151 - ECR NOx Maintenance			152.26	152,26
506051 - ECR Precipitator Operation			-	
506151 - ECR Activated Carbon			4,600.07	4,600.07
512051 - ECR Precipitator Maintenance			1,659.34	1,659.34
Total 2006 Plan O&M Expenses	\$ -	11,364.00	89,513.78	100,877.78
2000 PL-				
2009 Plan 502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance				
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	
Net 2007 Flati Occivi Expenses	1		- 1	-
Current Month O&M Expense for All Plans	T\$ -	11,364.00	138,790.63	150,154.63
Current Month Occivi Expense for All Figure		11,364.00	138,/90.03	130,134.63

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
			·
Total Monthly Be	neficial Reuse Expense		\$
·			
	eneficial Reuse in Base Rates (from ES Form 2.6	51)	\$ -
Net Beneficial Re	use O&M Expense		-

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane I	Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	-	\$ -	\$ -	
(2) Monthly Amount [(1) / 12]	\$	-	-	\$ -	
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	-	\$ -	\$ -	
Total Beneficial Reuse - Generating Station		*			
(4) Monthly Expense [(2) + (3)]	\$	_	\$ -	\$ -	
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$ -	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$ -	\$ -	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$ -	\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ .	-	\$ -	\$ -	
If Line (8) Greater than Zero, No Adjustment					
If Line (8) Less than Zero, Adjustment for Base Rates					
(A.F. + (A. B. B. B. + (A. B. B. + (A. B. B. B. B. + (A. B. B. B. + (A. B. B. B. B. B. B. + (A. B. B. B. B. B. + (A. B. B. B. B. B. B. B. + (A. B.	1.6		To	1.6	1.6
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%.

Monthly Average Revenue Computation of R (m)

For the Month Ended: March 31, 2011

			Kentucky Jurisc	lictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)_	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note I)	(6)+(8)	(9)-(5)
Apr-10	54,875,216	255,564	1,224,291	(197,282)	56,157,790	56,355,072	10,615,394	66,773,184	66,970,46
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,43
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48
for 12 Months Endir	risdictional Revenues, E ng Current Expense Mon	th.				\$ 73,335,896			
	ation Percentage for Curr entucky Jurisdictional Re				(7) / Column (10) =				83.35%
4.6					T.		Note 1 - Excludes To	s Brokered Sales, tal for Current Month =	\$ 69,338.8

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2011

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



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

MAY 2 0 2011

PUBLIC SERVICE COMMISSION

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

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

May 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,053,507

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

1.43%

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

Title: Director, Rates

Date Submitted: May 20, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of April 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-mm 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) (2) (3) (4)	RB RB / I2 (ROR + (ROR - DR) OE	(TR / (1 - TR)))	= = =	\$	72,896,086 6,074,674 11,31% 308,266	
(5) (6)	BAS BR		=		-	
(7)	E(m)	(2) × (3) + (4) - (5) + (6)	-	\$	995,312	

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month - ES Form 3,00	-	86.50%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	- 2	860,945
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2010-00475		795,605
(11)	Prior Period Adjustment (if necessary)	=	**
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	m.	1,656,550
(13)	Revenue Collected through Base Rates	≃ \$	603,043
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	<b>=</b> \$	1,053,507
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	73,839,618
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) + (15)]	=	1,43%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Compliance Pla					
Eligible Pollution Control Plant	\$ 65,553,070		10000			
Eligible Pollution CWIP Excluding AFUDC	12,363,367					
Subtotal		S	77,916,437			
Additions:			The state of			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-					
Cash Working Capital Allowance	200,566					
Deferred Debit Balance Mill Creek Ash Dredging	-					
Subtotal			200,566			
Deductions:						
Accumulated Depreciation on Eligible Pollution Control Plant	 2,855,097					
Pollution Control Deferred Income Taxes	2,365,820					
Subtotal			5,220,917			
Environmental Compliance Rate Base		\$	72,896,086			

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 102,021
Monthly Depreciation & Amortization Expense	211,473
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	
Occuring Since Last Roll-In of Surcharge into Existing Rates	200
Total Pollution Control Operations Expense	\$ 308,266

**Determination of Beneficial Reuse Operating Expenses** 

	Envire	nmental
	Compli	алсе Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		•
		100
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	I	Total	Amo	unt in		Net
	P	roceeds	Base	Rates	Proceeds	
		(1)		(2)	(	1) - (2)
Allowance Sales	\$		\$		\$	-
Scrubber By-Products Sales		•		•		_
Total Proceeds from Sales	\$	-	\$	-	S	. •

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2011	Monthly ITC Amerization Credit	De	Monthly epreciation Expense	Pro	Monthly openy Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	2	-	2	-	\$	-	\$	-	5			\$	-	\$	_
Subtotal  Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	\$	-	\$ \$		\$	-	\$	-	_	\$ \$	-	s s	
Net Total - 2001 Plan:	1 \$		\$		\$	-	\$	-	\$	-		\$		\$	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4 Subtotal	\$ \$ \$ \$ \$ \$	-	\$ \$ \$		\$ \$ \$	-	* * * *	-	\$ \$ \$	- -		S S S	:	S	-
Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	s	-	\$	-	\$	-		3	-	\$	
Net Total - 2003 Plan	\$	<u>-</u>	\$	-	5	<u> </u>	\$	:	S			\$		\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	5 5 5 5 5 5	4,607,107 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	455,156 354,554 102,417 49,388 1,342,378 2,303,893 (548,068)		1,677,889 585,649 - - - - - - - - -	\$ \$ \$ \$	5,829,840 4,961,663 747,684 259,119 6,018,699	\$ \$ \$	266,995 301,469 91,639 19,235 - 1,150,569		\$ \$ \$ \$	9,741 8,397 2,564 1,147 - 22,206 44,055	\$ \$	733 622 95 33 - 763
		-74			<u> </u>							<u> </u>			
Net Total - 2005 Plan:	\$	16,665,695	\$	1,755,825	\$	2,263,538	\$	17,173,408	\$	1,698,211		S	40,616	\$	2,166

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2011

(1)	T	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWJP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2011	m	Monthly C Amerization Credit	1	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
					L.			(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	42,999,801 3,440,076 2,050,346 397,151	\$	527,984 288,398 211,030 71,861	\$	178,844 444,939 - -		42,650,661 3,596,618 1,839,317 325,291	\$ \$	256,850 278,968 54,915 . 76,875	\$	14,527	\$ \$ \$	150,853 9,777 8,867 1,361	\$ \$	5,414 454 <b>234</b> 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	48,887,375	s	1,099,272	\$	623,783	\$	48,411,386	\$	667,608	\$	14,527	\$	170,857	\$ \$	6,144
Net Total - 2006 Plan:	\$	48,887,375	\$	1,099,272	\$	623,783	\$	48,411,886	\$	667,608	\$	14,527	_\$_	170,857	_\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$		2 2 2	- - -	\$ \$ \$ \$	1,040,429 6,460,267 1,588,281 387,070	\$ \$	1,040,429 6,460,267 1,588,281 387,070	\$	:			\$ \$ \$	-	* * *	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	\$	-	\$	9,476,046	\$	9,476,046	\$	-			\$	-	\$	989
Net Total - 2009 Plan:	5		S	· ·	\$	9,476,046	\$	9,476,046	S	<u>-</u>			\$	-	\$	989
		<u> </u>	Ľ.													
Net Total - All Plans:	\$	65,553,070	\$	2,855,097	\$	12,363,367	18	75,061,340	\$	2,365,820	\$	14,527	<u>_</u> \$	211,473	\$	9,299

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

Inventory of Emission Allowances

For the Month Ended: April 30, 2011

Vintage Year	Nui	mber of Allowan	ces	Tot	al Dollar Value Of Vir	tage Year	Comments and Explanations
· .	SO ₂	NOx	NOx	SO₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	162,001	9,513	7,277	\$ 2,388.89	\$	- \$ 20.99	
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						-
2018	62,379						
2019	62,379						
2020	62,379		i				
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379		1				
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of April 2011

	Beginning	Allocations/	Utilized	Utilized	1	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	· · · · · · · · · · · · · · · · · · ·			· · · · · · · · · · · · · · · · · · ·		*	
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	164,370	0	2,369		0	162,001	
Dollars	\$ 2,423.83		\$ 34.94	\$ -	\$ -	\$ 2,388.89	
\$/Allowance	S 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
	LOWANCES FRO						
Quantity	156,252		2,319		-	153,933	
Dollars	\$ 2,304.12	-	\$ 34.21	-	\$ -	\$ 2,269.91	
	<u> </u>					<u></u>	<u> </u>
ATTOCATED A	Y ONLY MORE THE	NATION ASSESSED					
	LOWANCES FRO	OM EPA: OTHER		į.		1 0000	
Quantity .	8,118		50		-	8,068	
Dollars	\$ 119,71		\$ 0.73	3 -	\$ -	\$ 118.98	
		<u> </u>		!	<u> </u>		<u>}</u>
ALLOWANCES	FROM PURCHASI	PC.					
From Market:	rkom i okciiasi	L3.			T	1	· · · · · · · · · · · · · · · · · · ·
Quantity	-	-	_	_	_		<u>.                                    </u>
Dollars	\$ -	s -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	<u> </u>
	1 *	1 *	4	1 **	L.*	1 *	1
From KU	!					I	
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	s -	s -	S -	İ
\$/Allowance	\$ -	\$ -	\$ -	\$ -	S -	\$ -	
	· · · · · · · · · · · · · · · · · · ·						'
	<del> </del>	<del></del>		-			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of April 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sald	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,277	0	0	(	0		
Dollars	\$ 20.99	\$ -	\$ -	\$ -	\$	\$ 20.99	<u> </u>
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
		M EPA: COAL F	<u>UEL  </u>				P
Quantity	7,106		-		-	7,106	
Dollars	\$ 20.49	\$ -	\$ -	-	\$ -	\$ 20,49	"
				<u>i</u>			
ALLOCATED AL	LOWANCES FRO	M EPA: OTHER	FUELS				
Quantity	171	-	-	<u>-</u>	_	171	<u> </u>
Dollars	\$ 0.50	\$ -	\$ -	\$	\$ -	\$ 0,50	-
				<u> </u>		i	<u></u>
							•
ALLOWANCES I	ROM PURCHAS	ES:				<u> </u>	
	ROM PURCHAS	ES:					
rom Market: Quantity	ROM PURCHAS	ES:	0		0 0	0	
From Market: Quantity			\$ -	\$	0 0	0 \$	
rom Market: Quantity Dollars	0	0					
rom Market: Quantity Dollars	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
rom Market: Quantity Dollars \$/Allowance	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	0	0 \$ -	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES I From Market: Quantity Dollars \$!/Allowance From KU: Quantity Dollars	\$ - \$ -	\$ -	\$ -	\$ -	\$	\$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2011

	Beginning	Allocation	ns/	Utilized	Utilized	1		Ending	Allocation, Purchase, or
	Inventory	Purchase	es	(Coal Fuel)	(Other Fuels)		Sold	Inventory	Sale Date & Vintage Years
			-		-			<del></del>	
TOTAL EMISS	ION ALLOWANCE	S IN INVENT	CORY, A	ALL CLASSIFIC	CATIONS				
Quantity	10,723		0	1,202		8	0	9,513	
Dollars	\$ -	\$	- \$		\$ -	\$	-	<b>S</b> -	
\$/Allowance	\$ -	\$	\$	-	\$ -	\$	-	\$ -	
ALLOCATED A	ALLOWANCES FR	OM EPA: CO	AL FUE	EL					
Quantity	10,550		-	1,202			-	9,348	
Dollars	\$ -	\$	- \$	· -	\$ -	\$	-	\$ -	<u> </u>
								}	
ALLOCATED A	ALLOWANCES FR	OM EPA: OT	HER FU	UELS					
ALLOCATED A	ALLOWANCES FR 173		HER FU	UELS		8		165	
				<u>-</u>	\$	-	<u>-</u>	165 \$ -	
Quantity	173		-	<u>-</u>	\$	$\overline{}$			
Quantity	173		-	<u>-</u>	\$ .	$\overline{}$			
Quantity Dollars  ALLOWANCES	173	\$	-	<u>-</u>	\$ .	$\overline{}$			
Quantity Dollars	\$ -	\$	-	<u>-</u>	\$ -	$\overline{}$			
Quantity Dollars  ALLOWANCES From Market;	\$ -	\$ SES:	-	<u>-</u>		$\overline{}$		\$ -	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars	\$ -	\$ SES:	- \$	0		0 \$	0	0	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars	S FROM PURCHAS	\$ BES:	- \$	0		0 .	0	\$ -	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars S/Allowance	S FROM PURCHAS	\$ SES:	0 -   \$	0	\$	0 \$	0	0	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars S/Allowance	S FROM PURCHAS	\$ SES:	0 -   \$	0	\$	0 \$	0	0	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$/Allowance	S FROM PURCHAS	\$ SES:	0 -   \$	0	\$ -	0 \$	0	0 5 -	
Quantity Dollars  ALLOWANCES From Market: Quantity	173 \$  S FROM PURCHAS  0 \$ \$	\$ SES:	- \$ 0 - \$ - \$	0 0 5 -	\$ -	0 \$ \$	0	0 5 -	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2011

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
O and an partie of the and are				
200! 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			35,899.41	35,899,41
512055-ECR Scrubber Maintenance			-	_
Ashpond Dredging Expense				-
Total 2005 Plan O&M Expenses			35,899.41	35,899.41
2006 Plan	_			
506159 - ECR Sorbent Injection Operation		-	5,996.23	5,996.23
506152 - ECR Sorbent Reactant - Reagent Only	<u></u> .	-	47,014.18	47,014.18
5)2152 - ECR Sorbent Injection Maintenance		-	4,609.57	4,609.57
506150 - ECR Mercury Monitors Operation			-	
512153 - ECR Mercury Monitors Maintenance	-	-	-	<u> </u>
502056 - ECR Scrubber Operations			-	
512055 - ECR Scrubber Maintenance			6,449.12	6,449.12
506154 - ECR NOx Operation Consumables	_		739,31	739.31
506155 - ECR NOx Operation Labor and Other			578.06	578.06
512151 - ECR NOx Maintenance			165.09	165,09
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon			(1,003.46)	(1,003.46
512051 - ECR Precipitator Maintenance			1,573.87	1,573.87
Total 2006 Plan O&M Expenses	\$ -	-	66,121.97	66,121.97
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	
Net 2009 Plan O&M Expenses			-	-
· · · · · · · · · · · · · · · · · · ·				<del></del>
Current Month O&M Expense for All Plans		1	102,021,38	102,021.38

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

	On-Site CCP Disposal O&M Expense	Car	ne Run	Trimble	County
Exi	isting CCP Disposal Facilities (Pre 2009 Plan Project)			1	
(1)	12 Months Ending with Expense Month	\$		S	_
(2)	Monthly Amount [(1) / 12]	\$	-	\$	
200	09 Plan Project				
(3)	Monthly Expense	\$	-	\$	
Tot	tal Generating Station				
(4)	Monthly Expense [(2) + (3)]	\$	-	\$	
Bas	se Rates				
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$	
(6)	Monthly Expense Amount [(5) / 12]	\$		\$	
(7) Tot	tal Generating Station Less Base Rates [(4) - (6)]	S	-	\$	
(8)	Less 2009 Plan Project [(7) - (3)]	S	-	\$	
	If Line (8) Greater than Zero, No Adjustment				
	If Line (8) Less than Zero, Adjustment for Base Rates			1	
diustme	ent for Base Rate Amount (to ES Form 2.50)	1\$	-	1\$	-

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third		3.1	
Party	O&M Expense Account	Plant	Total O&M
			-
otal Monthly Bene	ficial Reuse Expense		\$ -
djustment for Bene	ficial Reuse in Base Rates (from ES Form 2.	61)	1\$ -
et Beneficial Reuse			\$

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: April 30, 2011

	<u> </u>		Kentucky Jurisd	lictional Revenues		· · · · · · · · · · · · · · · · · · ·	Non- Jurisdictional Revenues	Total Compar	ly 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)	'Fotal Excluding Environmental Surcharge (6)-(5)	Total Including Off-System Sales (See Note 1)	Total	Total Excluding Environmental Surcharge  (9)-(5)
May-10	54,313,958	1,317,675	1,218,972	572,800	57,423,405	56,850,605	9,752,830	67,176,235	66,603,435
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,547
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-L1	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
for 12 Months Ending	g Current Expense Mont					\$ 73,839,618			
		ent Month (Environmenta venues Divided by Exper			(7) / Column (10) =				86.50%
							Note I - Excludes Tot	Brokered Sales, al for Current Month =	\$ 76,784.71

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2011

	Revenues per	F	Revenues per
	Form 3.00	1	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 59,828,935	\$	59,828,935
Fuel Adjustment Clause	\$ 1,740,517	\$	1,740,517
DSM	\$ 830,283	\$	830,283
Environmental Surcharge		\$	874,121
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes -	\$ 62,399,735		
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,742,182 9,742,182	\$	9,742,182
Total Company Revenues for Environmental Surcharge Purposes =	\$ 72,141,917		
Reconciling Revenues		L	
Brokered	\$ 76,785	\$	76,785
InterSystem (Transmission Portion Booked in Account 447)		\$	-
Unbilled		\$	(392,299
Miscellaneous		\$	1,207,949
Total Company Revenues per Income Statement =		\$	73,908,472



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

**RECEIVED** 

JUN 17 2011

PUBLIC SERVICE COMMISSION

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

Louisville Gas and

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

June 17, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 1,095,320

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

1.47%

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

Submitted by:

Title: Director, Rates

Date Submitted: June 17, 2011

ES FORM 1,10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of May 2011

#### Calculation of Total E(m)

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

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

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

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			Environme	ntal Compliance Plans
(1) RB (2) RB / 12 (3) (ROR + (ROR (4) OE (5) BAS (6) BR	- DR) (TR / (1 - TR)))	= = = =	\$	74,234,883 6,186,240 11,31% 356,279 29
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	1,055,913

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$ 68,088,518		1000
Eligible Pollution CWIP Excluding AFUDC	11,534,083		
Subtotal		\$	79,622,601
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33			
Cash Working Capital Allowance	203,395		
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal			203,395
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	3,071,963		
Pollution Control Deferred Income Taxes	2,519,150		
Subtotal			5,591,113
Environmental Compliance Rate Base		\$	74,234,883

Determination of Pollution Control Operating Expenses

	Enviromental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 148,079
Monthly Depreciation & Amortization Expense	213,428
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	9,299
Monthly Insurance Expense	_
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	- ""
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
	1000
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 356,279

**Determination of Beneficial Reuse Operating Expenses** 

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

Proceeds From By-Product and Allowance Sales

		Γotal	Amou	nt in		Net
	Pr	Proceeds		Base Rates		Proceeds
		(1)		(2)		(1) - (2)
Allowance Sales	\$	29	\$	-	Ş	29
Scrubber By-Products Sales		-		-		•
Total Proceeds from Sales	. \$	29	\$	-	\$	29

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2011

(1)		(2)	İ	(3)	<u> </u>	(4)		(5)		(6)	(7)	Π	(8)	·	(9)
Description		Plant In Ac		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2011	Monthly ITC Amortization Credit	Monthly Depreciation Expense		P	Monthly roperty Tax Expense
			·					(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	2	- ,	\$	-	\$	-	<b>.</b> \$		\$	-		\$		\$	•
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	<b>s</b> \$		\$	-	\$	-	<b>S</b>	•		\$	•	\$	-
Net Total - 2001 Plan:	l s		\$		\$		<u> </u>		\$			\$		Š	•
1903 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	3 3 3 5	:	\$ \$ \$ \$	:	\$ \$ \$	-	** ** **	- - - -	\$ \$ \$	: : :		\$ \$ \$	- -	\$ \$ \$	- - - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$		s		S	-	\$	-	\$			\$	-	\$	-
Net Total - 2003 Plan:	\$		\$	_	\$	-	\$		\$			\$		\$	<u>-</u>
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$	7,142,556 4,730,568 850,100 308,507 7,361,077 20,392,809 (1,191,665)	\$ \$ \$ \$	466,851 362,950 104,981 50,535 1,364,584 2,349,902 (548,068)		599,531	\$ \$ \$ \$ \$	6,675,704 4,967,149 745,119 257,972 5,996,493 18,642,438 (643,598)	\$ \$	328,270 307,186 93,642 19,365 - 1,167,209 1,915,671 (131,696)		****	11,695 8,397 2,564 1,147 - 22,206 46,009	\$ \$ \$ \$	733 622 95 33 - 763
Net Total - 2005 Plan;	\$	19,201,143	T e	1,801,834		599,531	L	17,998,840	8	1,783,975	<u> </u>	\$	42,571	L	2,166

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	Accu	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2011		Monthly Amortization Credit	Monthly Depreciation Expense		P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$	42,999,801 3,440,076 2,050,346 397,151	\$	678,837 298,174 219,897 73,221	\$:	619,607 444,939 - -		42,940,571 3,586,841 1,830,450 323,930	\$ S	314,022 287,501 56,382 77,270	s	14,527	\$ \$ \$	150,853 9,777 8,867 1,361	\$	5,414 454 234 41
Subtotal	2	48,887,375	\$	1,270,129	\$	1,064,546	ŝ	48,681,792	\$	735,175	5	14,527	\$	170,857	\$	6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$		\$		\$	-	\$	-	\$	-	\$		s	-
Net Total - 2006 Plan:	5	48,887,375	\$	1,270,129	\$	1,064,546	S	48,681,792	\$	735,175	\$	14,527	\$	170,857	\$	6,144
2009 Plan: Project 22 - Carie Run CCP Storage (Landfill - Phase f) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- - -	\$ \$	-	\$ \$ \$	1,060,456 6,747,271 1,650,887 411,392	\$	1,060,456 6,747,271 1,650,887 411,392	\$				\$ \$ \$		\$ \$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	\$	-	\$	9,870,006	<b>\$</b> \$	9,870,006	\$	<del> </del>			\$	-	\$	989
Net Total - 2009 Plan.	\$		5		\$	9,870,006	\$	9,870,006	\$		<del>                                     </del>		\$		\$	989
13777		<u> </u>													L	7.,
Net Total - All Plans:	\$	68,088,518	\$	3,071,963	\$	11,534,083	\$	76,550,638	\$	2,519,150	s	14,527	\$	213,428	2	9,299

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

Inventory of Emission Allowances

For the Month Ended: May 31, 2011

Vintage Year	Nun	,	Tot	al Dolla	ar Value Of Vin	tage Year	г	Comments and Explanations												
j	SO ₂	NOx	NOx	so	SO ₂ NOx		SO ₂		SO ₂		SO ₂		SO ₂		NОх	NOx NOx		NOx		
		Annual	Ozone Season				Annual		Ozone Season											
Current Year	156,907	7,688	6,065	\$	2,313.77	\$		- \$	17.50											
2012	62,379	14,133	6,212					-												
2013	62,379	14,133	6,212																	
2014	62,379	14,133	6,212	ì																
2015	62,379			:																
2016	62,379					1	_													
2017	62,379								_											
2018	62,379			i		]														
2019	62,379																			
2020	62,379					[		·-												
2021	62,379					1														
2022	62,379						•													
2023	62,379					L														
2024	62,379																			
2025	62,379																			
2026	62,379																			
2027	62,379																			
2028	62,379																			
2029	62,379																			
2030	62,379																			
2031 - 2040	623,790																			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of May 2011

	Beginning	Allocations/	Utilized	Utilized	ļ		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)		Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCE:	S IN INVENTORY	, ALL CLASSIFIC	CATIONS				
Quantity	162,001	0	, -,		0	2,000	156,907	<u> </u>
Dollars	\$ 2,388.89		\$ 45.63			29,49		
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ .	\$	0.01	\$ 0.01	<u></u>
	LOWANCES FRO	M EPA: COAL F						
Quantity	153,933		3,013		<del></del>	2,000		Sale to KU (2,000)
Dollars	\$ 2,269.91	\$ -	\$ 44,45	\$	\$	29,49	\$ 2,195.97	<u> </u>
	I	<u> </u>	<u></u>	l				<u> </u>
·								
AT LOCATED AT	LOWANCES ERG	M EPA- OTHER	PURIS					
	LOWANCES FRO	OM EPA: OTHER		}	.		7.987	
Quantity	8,068	-	81		_		7,987 \$ 117.80	
		-			-			
Quantity	8,068	-	81		_			
Quantity Dollars	8,068	\$ -	81		_			
Quantity Dollars  ALLOWANCES	\$,068 \$ 118.98	\$ -	81		_			
Quantity Dollars  ALLOWANCES From Market:	\$,068 \$ 118.98	\$ -	81	\$	_			
Quantity Dollars  ALLOWANCES From Market: Quantity	8,068 \$ 118,98 FROM PURCHAS	\$ - ES:	\$1.18	\$	\$	-	\$ 117.80	
Quantity Dollars  ALLOWANCES   From Market: Quantity Dollars	8,068 \$ 118,98 FROM PURCHAS	ES:	\$1.18	\$	\$	-	\$ 117.80	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	8,068 \$ 118,98 FROM PURCHAS	ES:	\$1.18	\$	\$	-	\$ 117.80	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	8,068 \$ 118,98 FROM PURCHAS	ES:	\$1.18	\$	\$	-	\$ 117.80	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU Quantity	8,068 \$ 118,98 FROM PURCHAS	ES:	\$1 \$ 1.18	\$ \$ \$ \$	\$ S	-	\$ 117.80	
Quantity Dollars	8,068 \$ 118,98 FROM PURCHAS	ES: - 3 - 3 - 3	\$1 \$ 1.18	\$ \$ \$ \$	\$ S	•	\$ 117.80 - \$ - \$ -	

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** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

### For the Expense Month of May 2011

	Beginning			Utilized	1	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
-							
TOTAL EMISS	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,277	0	1,205	7	. 0	6,065	
Dollars	\$ 20.99	\$ -	\$ 3.47	\$ 0,02	\$ -	\$ 17.50	
\$/Allowance	\$ -	S -	\$ -	-	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	7,106	_	1,205	-	-	5,901	
Dollars	\$ 20.49	\$ -	\$ 3.47	\$ -	\$ -	\$ 17.02	
					•		•
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
	LLOWANCES FRO	OM EPA: OTHER -	FUELS -	7	<del>-</del>	164	
Quantity		-		7 \$ 0.02	-   \$ -	164 \$ 0.48	
ALLOCATED A Quantity Dollars	171	-	-		·		
Quantity	171	-	-		·		
Quantity Dollars	171	\$ -	-		·		
Quantity Dollars  ALLOWANCES	171 \$ 0.50	\$ -	-		·		
Quantity Dollars  ALLOWANCES From Market:	171 \$ 0.50	- \$	-		·	\$ 0.48	
Quantity Dollars  ALLOWANCES From Market: Quantity	171 \$ 0.50 FROM PURCHAS	- \$	- \$ -	\$ 0.02	\$ -	\$ 0.48	
Quantity Dollars	171 \$ 0.50 FROM PURCHAS	ES:	2 -	\$ 0.02	\$ -	0.48	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	171 \$ 0.50 FROM PURCHAS 0 \$ -	ES:	- 3 - 0	0.02	0	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	171 \$ 0.50 FROM PURCHAS 0 \$ -	ES:	- 3 - 0	0.02	0	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	171 \$ 0.50 FROM PURCHAS 0 \$ -	ES: 0 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	- S - O	0.02	0	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	171 \$ 0.50 FROM PURCHAS  0 \$ -	ES: 0 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	- S - O	0.02	0 \$ -	0.48	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of May 2011

		nning ntory		ations/ hases	Utili (Coal		(1	Utilized Other Fuels)		s	old		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLO	WANCES	S IN INVI	ENTORY,	, ALL CL	ASSIFIC	ATIONS							_
Quantity		9,513		(613)		1,205			7		0		7,688	
Dollars	\$	-	\$	- 1	\$	-	\$		- 1	\$	-	\$	-	
\$/Allowance	\$		\$	-	\$	-	\$		-	\$	-	\$	-	
ALLOCATED .	ALLOWAN	CES FRO	M EPA:	COALFI	TERT.									10-10-10-10-10-10-10-10-10-10-10-10-10-1
Quantity		9,348		(718)		1,205			<i>-</i> T			Γ_	7,528	Ending Inventory includes purchase from KU (103); and
Dollars	\$	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	\$	-	\$	-	\$		-	\$	-	\$	- 1,722	true-up with EPA (-718)
			<u> </u>						$\neg$	*		1	-	
ALLOCATED.	ALLOWAN		M EPA:		FUELS							,		
	\$	165	\$	(46) -	\$	-	\$		7	\$	-	\$	160	Ending Inventory includes purchase from KU (48); and true-up with EPA (-46)
Dollars ALLOWANCE	S FROM PI				\$		\$			\$		\$		
Dollars ALLOWANCE	S FROM PU	URCHASI	ES:	-	\$		\$			\$		\$		
ALLOWANCE From Market: Quantity	S ES FROM PI		ES:		\$		\$	-		\$		3		
ALLOWANCE From Market: Quantity Dollars	S FROM PU	URCHASI	ES:	-	S	-	\$		0	\$		\$	-	
ALLOWANCE From Market: Quantity Dollars		URCHASI 0	ES:	0		0			0		0	\$	0	
ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$	URCHASI 0	ES:	0	S	0	\$		0	\$	0	\$	0	true-up with EPA (-46)
ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$	URCHASI 0 -	ES:	0 -	S	0	\$		0 -	\$	0	\$	0	true-up with EPA (-46)
ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity	\$	URCHASI 0	ES:	0	S	0	\$		0	\$	0	\$	0	Purchase from KU - included in Ending Inventory - Coal
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity Dollars \$/Allowance	\$	URCHASI 0 -	ES:	0 -	S	0	\$		0 -	\$	0	\$	0	true-up with EPA (-46)

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2011

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

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

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables	distribution of the control of	-	- 1	-
506155 - ECR NOx Operation - Labor and Other		-	-	-
512151 - ECR NOx Maintenance	_	-	-	-
Total 2001 Plan O&M Expenses		-		
2005 Plan				
502056-ECR Scrubber Operations			16,976,27	16,976.21
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense				
Total 2005 Plan O&M Expenses	<u>.</u>		16,976.27	16,976.27
2006 Plan				
506159 - ECR Sorbent Injection Operation			8,928.25	8,928,2
506152 - ECR Sorbent Reactant - Reagent Only	_	-	54,552.74	54,552.7
512152 - ECR Sorbent Injection Maintenance		-	711.38	711.3
506150 - ECR Mercury Monitors Operation	-	-	- 1	-
512153 - ECR Mercury Monitors Maintenance		0.69	-	0.6
502056 - ECR Scrubber Operations			20,601.74	20,601.7
512055 - ECR Scrubber Maintenance			5,880.75	5,880.7
506154 - ECR NOx Operation Consumables			16,124.53	16,124.5
506155 - ECR NOx Operation Labor and Other	_		603,42	603.4
512151 - ECR NOx Maintenance			223.91	223.9
506051 - ECR Precipitator Operation	•			-
506151 - ECR Activated Carbon			21,845.25	21,845.2
512051 - ECR Precipitator Maintenance	_		1,630,11	1,630.1
Total 2006 Plan O&M Expenses	\$	0.69	131,102.08	131,102.7
0000 PI	<u> </u>			
2009 Plan				
502012 - ECR Landfill Operations 512105 - ECR Landfill Maintenance	•		-	<u>-</u>
				<del></del>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51) Not 2009 Plan O&M Expenses	*		-	-
NCt 2009 Plan Okt M Expenses	<u> </u>	·		<del> </del>
Current Month O&M Expense for All Plans	1 70	0.69 [	148,078,35 [	148,079.0

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third			
Party	O&M Expense Account	Plant	Total O&M
-			
5 - 13 6 - d 1 - D	C'ID D		La
otal Monthly Bene	ficial Reuse Expense		\$ -
	10000		
	ficial Reuse in Base Rates (from ES Form 2	.61)	\$ -
let Beneficial Reuse	e O&M Expense		\$ -

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: May 31, 2011

			Kentucky Juriso	líctional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge
					(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)
Jun-10	76,709,495	1,581,038	1,979,975	2,482,673	82,753,181	80,270,508	5,551,039	88,304,220	85,821,54
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,35
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,07
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,16
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,94
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,23
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,03
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,49
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,63
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,48
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182 {	73,016,038	72,141,91
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,97
for 12 Months Endin	risdictional Revenues, E ng Current Expense Mon	th.	# -			\$ 74,567,904			
	ition Percentage for Curr entiticky Jurisdictional Re				(7) / Column (10) =				86.82%
Note 1 - Excludes Brokered Sales, Total for Current Month = \$							\$ (1,011,601.5		

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2011

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



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

RECEIVED

JUL 19 2011

PUBLIC SERVICE COMMISSION

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

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

July 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

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

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 131,463

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

0.18%

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

Submitted by:

Title: Director, Rates

Date Submitted: July 19, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of June 2011

### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RO	R -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) (2) (3) (4) (5) (6)	RB RB / 12 (ROR + (ROR - DR) (TR OE BAS BR	R / (1 - TR)))	11 11 11 11 11	s	71,757,124 5,979,760 11.31% 310,214 37	
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	986,487	

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

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

**Determination of Pollution Control Operating Expenses** 

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

Determination of Beneficial Reuse Operating Expenses

	Environ	mental
	Compliar	nce Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

,	Total	Amount in	Net
	Proceeds Base Rates		Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 37	\$ -	\$ 37
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ 37	\$ -	\$ 37

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2011

40														,	
(1)		(2)	<u> </u>	(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	Pla	gible int In rvice		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Sérvice		Deferred Tax Balance as of 6/30/2011	Monthly ITC Amortization Credit		Monthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	-	\$		\$	*	\$	; •	s	-		\$	-	\$	-
Subtotal Less Retirements and Replacement resulting	\$	-	\$	-	\$	-	\$	-	\$			\$	-	\$	
from implementation of 2001 Plan	\$	-	\$	-	S	•	\$	-	\$	-		\$	-	\$	-
Net Total - 2001 Plan:	\$	_	\$		\$		\$	-	\$	-		\$		\$	*
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$			\$ \$ \$	- - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	-	\$ \$	<u> </u>	\$		\$	-	\$	- <del>-</del>	-	\$	-	s s	-
Net Total - 2003 Plan:	\$		\$	-	\$		Ĺ		\$			\$	<u> </u>	\$   \$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,818,430 4,730,568 850,100 308,507 - 7,361,077 18,068,683 (2,520,865)	\$ \$ \$ \$	416,007 371,347 107,545 51,681 1,386,790 2,333,371 (969,332)	\$ \$ \$ \$	596,265 - - - - 596,265	\$ \$ \$ \$ \$ \$	4,402,423 4,955,486 742,555 256,826 5,974,287 16,331,577 (1,551,534)	\$ \$ \$ \$	285,201 312,903 95,644 19,495 - 1,183,848 1,897,091 (384,695)		\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206 44,380 (5,253)	\$ \$ \$ \$	448 622 95 33 - 763 1,961 (1,442)
Net Total - 2005 Plan:	\$	15,547,817	\$	1,364,039	\$	596,265	S	14,780,043	\$	1,512,396		\$	39,127	Ŕ	519

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2011

(1)		(2)	(3)	$\neg \neg$	(4)		(5)		(6)		(7)	I	(8)		(9)
Description	-	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 6/30/2011	rrc	Monthly C Amortization Credit	Ι	Monthly Depreciation Expense	Pı	Monthly roperty Tax Expense
						Π	(2)-(3)+(4)	Т							
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	s s s	43,429,831 3,440,076 2,050,346 397,151	\$ 307,95 \$ 228,76	I \$	431,284 444,939 - -	\$ \$ \$ \$	43,030,575 3,577,064 1,821,583 322,569	\$	504,965 296,034 59,939 77,665	s	14,527	\$ \$ \$		\$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	49,317,405 -	\$ 1,441,83 \$ -	7 \$ \$	876,223	\$ \$	48,751,791 -	\$	938,602	\$	14,527	s s	171,707	\$ s	6,144
Net Total - 2006 Plan:	\$	49,317,405	\$ I,441,83	7 \$	876,223	\$	48,751,791	\$	938,602	\$	14,527	\$	171,707	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s s s	- - -	\$ - \$ - \$ - \$ -	\$ \$ \$ \$	1,072,654 7,189,753 1,739,136 477,425	\$ \$ \$	1,072,654 7,189,753 1,739,136 477,425	\$ \$ \$	- - - -			\$ \$ \$	-	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	-	s - s -	\$	10,478,968	\$	10,478,968	\$	-			s	-	\$ \$	. 989
Net Total - 2009 Plan:	S	-	s -	s	10,478,968	\$	10,478,968	\$		i -		\$	_	\$	989
					7			Ť							
Net Total - All Plans:	S	64,865,222	\$ 2,805,87	6 \$	11,951,455	\$	74,010,802	S	2,450,998	\$	14,527	\$	210,835	\$	7,652

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

Inventory of Emission Allowances

For the Month Ended: June 30, 2011

Vintage Year	Nun	nber of Allowand	ces	Tot	al Dollar	Value Of Vinta	age Yea	ī	Comments and Explanations
	SO ₂	NOx	NOx	SO₂ -		NOx		NOx	
		Annual	Ozone Season			Annual		Ozone Season	
Current Year	148,984	6,344	4,721	\$ 2,219.91	\$	-	- \$	13.62	
2012	62,379	14,133	6,212					•	
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						•
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379					MII 26			
2022	62,379		4						
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379					•			
2029	62,379								
2030	62,379								
2031 - 2040	623,790								

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

For the Expense Month of June 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO						·	0.11. 1.00.00.0000
Quantity	156,907	(1,559)	3,824	0		148,984	
Dollars	\$ 2,313.77		\$ 56.40		\$ 37.46		
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ 0.01	\$ 0.01	
ALLOCATED AL	LOWANCES FRO	OM EPA: COAL F	JEL				
Quantity	148,920	3,790	3,282		2,540	146,888	Adjustment for IMEA/IMPA final true-up (3,790); sale of
Dollars	\$ 2,195.97	\$ 55.89			\$ 37.46		
ALLOCATED AL	LOWANCES FRO	OM EPA: OTHER (5,349)	FUELS 542	-	T -	2,096	Adjustment for IMEA/IMPA annual true-up (-3,790); transfer
Dollars	\$ 117.80		\$ 8.00	\$ -	S -		of unused 2010 allowances (-1,559)
		, , , , , , , , , , , , , , , , , , ,					
	ROM PURCHAS	ES:					
From Market:							
Quantity	~		-	<del>-</del>	_	-	
Dollars	\$ -	\$ -	\$ -	\$	-	\$ -	·
\$/Allowance	\$ -	\$ -	\$ -	\$ -	- \$	\$ -	
From KU							
Quantity	-	-	-	_	-		
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$	
		•		-			
<del></del>				Marine 4			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

### For the Expense Month of June 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
							· · · · · · · · · · · · · · · · · · ·
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,065	0	1,332	12	0	4,721	
Dollars	\$ 17.50	\$ -	\$ 3.84	\$ 0.04	\$ -	\$ . 13.62	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	LLOWANCES FRO	OM EPA: COAL F					
Quantity	5,901	-	1,332	-	-	4,569	
Dollars	\$ 17.02	\$ -	\$ 3.84		\$ -	\$ 13.18	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	164-	-	_	12	-	152	
Dollars	\$ 0.48	\$ -	\$ -	\$ 0.04	\$ -	\$ 0.44	
	İ					, 7	
	•						
	FROM PURCHAS	ES:					
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	•
From KU:							
Quantity	0	0	0	0	0	0	,
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ĺ							
<u> </u>							

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2011

	Begir Inver		Allocations/ Purchases		Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLO	VANCES	S IN INVENTO	RY, A	ALL CLASSIFIC	ATIONS				
Quantity		7,688		0	1,332	12		0	6,344	
Dollars	\$	-	\$ -	\$	-	\$ -	\$	-	\$ -	
\$/Allowance	\$	-	\$ -	\$	-	\$ -	\$	-	-	
ALLOCATED A	LLOWAN	CES FRO	M EPA: COAI	FUE	EL	9				
Quantity		7,528	-	$\neg$	1,332	-		-	6,196	
Dollars	\$	-	\$ -	\$		\$ -	\$	-	\$ -	
ALLOCATED A Quantity Dollars	LLOWAN     \$	160 -	OM EPA: OTHE - \$ -		-	\$ -	\$	-	148 \$ -	3
ALLOWANCES	FROM PU	RCHASI	ES:						·	
Quantity		0		0	0	- 0		0	(	
Dollars	\$		\$ -	-		\$ -	\$		\$ -	
\$/Allowance	\$		\$ -	-		\$ -	\$		\$ -	
D/Allowance	13					<u> </u>	J	·····		
YZY T.	T		I					····	,	
rom KU:	+	0		0	0	0		0	(	
		<u>-</u>	\$ -			\$ -	s	• /	s -	
From KU: Quantity Dollars	\$	-								
	\$	-	\$ -		S -	\$ -	l \$	-	- 1	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$	43,057					
10th Previous Month		10,695					
9th Previous Month		65,844					
8th Previous Month		94,372					
7th Previous Month		21,474					
6th Previous Month		75,687					
5th Previous Month		00,889					
4th Previous Month		60,038					
3rd Previous Month		50,155					
2nd Previous Month		02,021					
Previous Month		48,079					
Current Month		06,254					
Total 12 Month O&M	\$ 1,5	78,565					

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

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

	<del></del>		<del></del>	
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation — Consumables			· · · · · · · · · · · · · · · · · · ·	
506155 - ECR NOx Operation Labor and Other				-
512151 - ECR NOx Maintenance	<del></del>	-		
Total 2001 Plan O&M Expenses				**
2005 Plan				
502056-ECR Scrubber Operations			20,219.33	20,219.33
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		• _	20,219.33	20,219.33
2006 Plan			0.240.06	
506159 - ECR Sorbent Injection Operation		<del>-</del>	8,342.96	8,342.96
506152 - ECR Sorbent Reactant - Reagent Only		-	48,108.28	48,108,28
512152 - ECR Sorbent Injection Maintenance		-	277.26	277.26
506150 - ECR Mercury Monitors Operation		-	•	-
512153 - ECR Mercury Monitors Maintenance	_	-	10.506.10	10.506.10
502056 - ECR Scrubber Operations			19,586.10	19,586.10
512055 - ECR Scrubber Maintenance			7,738.10	7,738.10
506154 - ECR NOx Operation — Consumables	*		22,290.31	22,290.31
506155 - ECR NOx Operation Labor and Other			507.78	507.78
512151 - ECR NOx Maintenance			(74.32)	(74.32)
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon			(21,845.25)	(21,845.25)
512051 - ECR Precipitator Maintenance			1,103.00	1,103.00
Total 2006 Plan O&M Expenses			86,034.22	86,034.22
2000 71		•		
2009 Plan				·
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance	-		-	- ,
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	
Net 2009 Plan O&M Expenses			<del>-</del>	-
Current Month O&M Expense for All Plans			106.253.55	106,253,55
Current Month Own Expense for All Plans			100,203,001	100,233.33

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M					
	,							
Total Monthly Be	neficial Reuse Expense		-					
			T.					
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)							
Net Beneficial Re	use O&M Expense		-					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

Monthly Average Revenue Computation of R (m)

For the Month Ended: June 30, 2011

			Kentucky Jurisc	lictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues															
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)															
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge															
		}			(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)															
Jul-10	87,940,963	2,659,992	2,420,480	1,519,099	94,540,534	93,021,435	7,765,917	102,306,451	100,787,352															
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078															
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168															
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945															
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237															
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030															
Jan-11	76,121,173	3,138,445			1,766,317	1,766,317													146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631															
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485															
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917															
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976															
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749															
for 12 Months Endir	ng Current Expense Mor				٠.	\$ 75,008,056																		
		rrent Month (Environment evenues Divided by Exp			(7) / Column (10) =				92.27%															
							Note 1 - Exclude To	s Brokered Sales, stal for Current Month =	\$ (531,080.82)															

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2011

	Revenues per	)	Revenues per
	Form 3.00	. Inc	come Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 79,699,769	\$	79,699,769
Fuel Adjustment Clause	\$ 4,437,519	\$	4,437,519
DSM	\$ 1,415,042	\$	1,415,042
Environmental Surcharge		\$	1,206,179
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 85,552,331		
Non -Jurisdictional Revenues InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$ 7,170,418	\$	7,170,418
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,170,418	Ψ	7,170,110
Total Company Revenues for Environmental Surcharge Purposes =	\$ 92,722,748		
Reconciling Revenues			
Brokered	\$ (531,081)	\$	(531,081)
InterSystem (Transmission Portion Booked in Account 447)		\$	_
Unbilled		\$	776,863
Miscellaneous		\$	1,751,569
Total Company Revenues per Income Statement =		\$	95,926,278



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

RECEIVED

AUG 19 2011

PUBLIC SERVICE COMMISSION

August 19, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after August 30, 2011.

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

Sincerely,

Robert M. Conroy

**Enclosures** 

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

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

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

**\$** 145,621

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

0.19%

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

Submitted by:

Title: Director, Rates

Date Submitted: August 19, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of July 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	==	Rate of Return on the Environmental Compliance Rate Base
DR	22	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	==	Beneficial Reuse Operating Expenses

		Environme	Environmental Compliance Plans						
(1) RB (2) RB/12 (3) (ROR+(ROR (4) OE (5) BAS (6) BR	DR) (TR / (I - TR)))	= \$ = = =	72,032,384 6,002,699 11.31% 376,346						
(7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$	1,055,199						

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	91,80%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	968,673
(10)	Adjustment for (Over)/Under-collection pursuant to	=	
(11)	Prior Period Adjustment (if necessary)	=	
(12)	Adjusted Jurisdictional E(m) [(9)+(10)+(11)]	=	968,673
(13)	Revenue Collected through Base Rates	= \$	823,052
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	145,621
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= .\$	74,979,613
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	#	0.19%

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental	iance Plan	
Eligible Pollution Control Plant	\$ 64,865,222		
Eligible Pollution CWIP Excluding AFUDC	12,458,442		
Subtotal		\$	77,323,664
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-		
Cash Working Capital Allowance	200,725		
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal		•	200,725
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	3,022,814		
Pollution Control Deferred Income Taxes	2,469,191		
Subtotal			5,492,005
Environmental Compliance Rate Base		\$	72,032,384

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 170,289
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	
Amortization of Monthly Mill Creek Ash Dredging	•
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 376,346

Determination of Beneficial Reuse Operating Expenses

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

Proceeds From By-Product and Allowance Sales

		Total	A	lmount in		Net
•	Proceeds (1)			Base Rates		Proceeds
				(2)		(1) - (2)
Allowance Sales	\$	52	\$		\$	52
Scrubber By-Products Sales				_		
Total Proceeds from Sales	\$	52	\$	-	S	52

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		Deferred Tax Balance as of 7/31/2011	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
		MOTE A PRINT AND PRACTICAL PROPERTY OF THE PARTY OF THE P						(2)-(3)+(4)			TO CONTRACT OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE			The second	
2001 Plan: Project 6 - LGE NOx	s	· -	s	-	s	_	\$	-	\$	-		\$	•	š	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	s s	-	\$ \$	-	\$ \$	_	\$ \$	-	\$ \$	-		\$ \$	-	\$ \$	-
Net Total - 2001 Plan:	S	-	i s		S		\$	-	S			S	-	\$	h." i
2003 Plan: Project 7- Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	-	\$ \$ \$ \$	-	\$ \$ \$	- - - -	\$ \$ \$	-	\$ \$ \$ \$	-		\$ \$ \$ \$	-	\$ \$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s s	-	\$	-	\$	-	\$	-	\$ \$	-		\$	-	s s	· -
Net Total - 2003 Plan:	\$	-	\$	-	\$	-	\$	-	S	-		s	1	\$	
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Croek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble Courty Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	******	4,818,430 4,730,568 850,100 308,507 7,361,077 18,068,683 (2,520,865)	\$ \$ \$ \$	426,073 379,744 110,110 52,828 1,408,996 2,377,751 (969,332)	\$ \$ \$ \$	601,518	\$ \$ \$ \$ \$ \$ \$	4,392,356 4,952,342 739,990 255,679 5,952,082 16,292,449 (1,551,534)	\$ \$ \$ \$ \$	346,400 318,620 97,646 19,626 1,200,487 1,982,779 (384,695)		\$ \$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206 44,380 (5,253)	\$ \$ \$ \$	448 622 95 33 - 763 1,961 (194)
Net Total - 2005 Plan:	İs	15,547,817		1,408,420		601,518	6	14,740,915	•	1,598,084		S	39,127	•	1.767
Net 10tal - 2005 Plan;	1.5	15,547,817	3	1,408,420	2	601,518	7	14,740,915	. 5	1,398,084		1.3	39,127	2	1,/6/

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2011

(1)		(2)		(3)		(4)		<u>(5)</u>	to a label	(6)		(7)		(8)	41172-1111-1	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	-	Deferred Tax Balance as of 7/31/2011	тс	Monthly C Amortization Credit	Monthly Depreciation Expense			Monthly roperty Tax Expense
						The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon		(2)-(3)+(4)				000000000000000000000000000000000000000				
2006 Plan: Project 13 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	5 5 5 5	43,429,831 3,440,076 2,050,346 397,151	\$	983,093 317,728 237,631 75,943	\$	507,601 444,939 - -		42,954,339 3,567,288 1,812,715 321,208	\$ \$	429,165 304,566 59,316 78,060	\$	14,527	S S S	152,553 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 5	49,317,405 -	\$	1,614,394	\$	952,539 -	\$ \$	48,655,550	s s	871,107	\$	14,527	\$ \$	172,558 -	\$ \$	6,144 -
Net Total - 2006 Plan:	\$	49,317,405	\$	1,614,394	\$	952,539	S	48,655,550	\$	871,107	S	14,527	S	172,558	S	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	S	- - - -	S S S		\$ \$ \$	1,098,513 7,399,989 1,871,806 534,076	\$	1,098,513 7,399,989 1,871,806 534,076	\$	- - -			\$ \$ \$	- - -	S S S S	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	_	\$	-	s s	10,904,385	\$ \$	10,904,385	\$ \$			1	\$ \$		\$ \$	989
Net Total - 2009 Plan:	\$	-	S		S	10,904,385	\$	10,904,385	\$	-			S	-	S	989
									ļ							
Net Total - All Plans:	S	64,865,222	\$	3,022,814	\$	12,458,442	\$	74,300,850	\$	2,469,191	_\$	14,527	\$	211,685	S	8,899

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

Inventory of Emission Allowances

For the Month Ended: July 31, 2011

Vintage Year	Nur	mber of Allowan	ces	Tot	al Dollar	Value Of Vintage	Yea	r	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	
1	·	Annual	Ozone Season			Annual		Ozone Season	
Current Year	141,303	4,793	3,170	\$ 2,105.48	\$	-	\$	9.15	
2012	62,379	14,133	6,212				l		
2013	62,379	14,133	6,212						
2014	62,379	14,133	6,212						
2015	62,379								
2016	62,379		,						
2017	62,379	•							
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379		-						
2023	62,379								
2024	62,379								
2025	62,379						<u> </u>		
2026	62,379						<u> </u>		
2027	62,379								
2028	62,379				1				
2029	62,379								
2030	62,379								
2031 - 2040	623,790						<u> </u>		

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of July 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
						2780	A CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA CANADA
TOTAL EMISSIO	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	148,984	0	4,181	0	3,500	141,303	
Dollars	\$ 2,219.91	\$ -	\$ 62.28	\$ -	\$ 52,15	\$ 2,105.48	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	-	\$ 0.01	\$ 0.01	
ALLOCATED AL	LOWANCES FRO	M EPA: COAL F	UEL				
Quantity	146,888	-	4,112		3,500		Sale to KU (3,500)
Dollars	\$ 2,166.00	\$ -	\$ 61.27	\$ -	\$ 52.15	\$ 2,052.58	
			PRINCE CO.				
ALLOCATED AL	LOWANCES FRO	IM EPA: OTHER	RUELS				
	2,096	M EPA: OTHER	69	-	_	2,027	
Quantity					\$ -	2,027 \$ 52.90	
ALLOCATED AL Quantity Dollars	2,096		69				
Quantity	2,096		69				
Quantity Dollars	2,096	\$ -	69				
Quantity Dollars	2,096 \$ 53.91	\$ -	69				
Quantity Dollars  ALLOWANCES I	2,096 \$ 53.91	\$ -	69				
Quantity Dollars  ALLOWANCES I  rom Market: Quantity	2,096 \$ 53.91 FROM PURCHAS	\$ - ES:	\$ 1.01	\$ -	\$ -	\$ 52.90	
Quantity Dollars  ALLOWANCES I	2,096 \$ 53.91 FROM PURCHAS:	\$ - ES:	69 \$ 1.01	\$ -	\$ -	\$ 52.90	
Quantity Dollars  ALLOWANCES I  From Market: Quantity Dollars	2,096 \$ 53.91 FROM PURCHAS:	ES:	69 \$ 1.01	\$ - \$ -	\$ -	\$ 52.90	
Quantity Dollars  ALLOWANCES I  From Market: Quantity Dollars \$/Allowance	2,096 \$ 53.91 FROM PURCHAS:	ES:	69 \$ 1.01	\$ - \$ -	\$ -	\$ 52.90	
Quantity Dollars  ALLOWANCES IF From Market: Quantity Dollars \$\alpha\lambda lowance	2,096 \$ 53.91 FROM PURCHAS:	ES:	69 \$ 1.01	\$ - \$ -	\$ -	\$ 52.90	
Quantity Dollars  ALLOWANCES I From Market: Quantity Dollars	2,096 \$ 53.91 FROM PURCHAS:	ES: - 3 5 5	\$ 1.01 - \$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 52.90 - \$ - \$ -	
Quantity Dollars  ALLOWANCES I From Market: Quantity Dollars \$\footnote{Allowance}\$  From KU Quantity Quantity	2,096 \$ 53.91 FROM PURCHAS:	ES:	\$ 1.01	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 52.90 - - - - - -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

### For the Expense Month of July 2011

	Beg	inning	Allocations		Utilized	_	tilized			1	ding	Allocation, Pu		
	Inv	entory	Purchases		(Coal Fuel)	(Oth	er Fuels)		Sold	Inve	entory	 Sale Date & Vin	tage Years	,,
TOTAL EMISS	ION ALLO		IN INVENTO	DRY,	ALL CLASSIFIC							 		
Quantity		4,721		0	1,530		21		0		3,170	 		
Dollars	\$	13.62	\$	-	\$ 4.41	\$	0.06	\$	-	\$	9.15	 		
\$/Allowance	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-			
ALLOCATED A	ALLOWAL	ICES FRO	M EPA: COA	LFU	JEL							 		
Quantity		4,569		-	1,530		<b>-</b> ,		-		3,039	 		
Dollars	\$	13.18	\$	-	\$ 4.41	\$		\$		\$	8.77			
													_	
ATTOCATED	ATT OXXIAN	JCES FRC	M EPA: OTB	ER I	FUELS									
ALLUCATED	ALLUWA	TODO I ALL												
	LLOWA	152		-		l	21		_		131	 		
Quantity	\$			-		\$	21 0.06	\$	-	\$	131 0,38	 		
Quantity		152		-		\$		\$		\$				
Quantity Dollars	\$	152 0.44	\$	-		s		s		\$	0.38			
Quantity Dollars  ALLOWANCES	\$	152 0.44	\$	-		s		\$		\$	0.38			
Quantity Dollars  ALLOWANCE: From Market:	\$	152 0.44 URCHAS	\$	-	\$ -		0.06	\$	-	\$	0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity	\$	152 0.44	\$	-	\$ -					\$	0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	S FROM P	152 0.44 URCHAS	ES:	0	- \$ - 0 \$ -	\$	0.06	s	-	\$	0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	S FROM P	152 0.44 URCHAS	ES:	0	\$ -		0.06		-		0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM P	152 0.44 URCHAS	ES:	0	- \$ - 0 \$ -	\$	0.06	s	0	\$	0.38			
Quantity Dollars  ALLOWANCE: From Market; Quantity Dollars \$/Allowance From KU:	S FROM P	152 0.44 URCHAS	\$ 6S: \$	0 -	0 \$ - \$ -	\$ \$	0.06	s	0	\$	0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance  From KU: Quantity	S FROM P	152 0.44 URCHAS	\$	0	0 \$ - \$ -	\$   \$	0.06	\$ \$	0	\$ \$	0.38			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance From KU: Quantity Dollars \$/Allowance	S FROM P	152 0.44 URCHAS	\$	0 0	0 \$ - \$ -	\$ \$	0.06	s	0	\$	0.38			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of July 2011

	Beginning		ocations/	Utilized	T	Utilized			·	Ending	Allocation, Purchase, or
	Inventory	Pu	rchases	(Coal Fuel)		(Other Fuels)		Sold	}	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANC	ES IN IN	VENTORY,	ALL CLASSI	ICAT	TIONS					
Quantity	6,34	4	0	1,5	30	21		0		4,793	
Dollars	\$ -	\$	-	\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$ -	\$		\$ -	\$	-	\$		\$	-	
ALLOCATED A	LLOWANCES F	ROM EPA	A: COAL FU	JEL							
Quantity	6,19	6	-	1,5	30			-		4,666	
Dollars	\$ -	S		\$ -	\$	-	\$	-	\$		
											7
ALLOCATED A	LLOWANCES FI	ROM EPA	A: OTHER I	FUELS							
Quantity	14	8				21		-	l	· 127	
Dollars	\$ -	\$	-	\$ -	\$		\$		\$	-	
					`.J		·				
ALLOWANCES	FROM PURCHA	SES:									
From Market:									L		
Quantity		0	0		0	0		0		0	
Dollars	\$ -	<b>S</b>	-	\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$ -	\$	-	\$ -	\$	-	\$	-	\$	-	
From KU:	· ·										
Quantity		0	0		0	0	,	0		0	
Dollars	S -	\$		\$ -	\$	-	\$		\$	-	
\$/Allowance	\$ -	\$	-	\$ -	\$	-	\$		\$	-	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2011

Environmental Con	mpliance Plan	
O&M Expenses		Amount .
11th Previous Month	\$	110,695
10th Previous Month		165,844
9th Previous Month		94,372
8th Previous Month		121,474
7th Previous Month	'	175,687
6th Previous Month		100,889
5th Previous Month		160,038
4th Previous Month		150,155
3rd Previous Month		102,021
2nd Previous Month		148,079
Previous Month		106,254
Current Month		170,289
Total 12 Month O&M	\$	1,605,797

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		1,605,797					
One Eighth (1/8) of 12 Month O&M Expenses		1/8	,					
Pollution Control Cash Working Capital Allowance	\$		200,725					

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

O&M Expense Account	Cane Run	Mill Creek_	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation - Consumables		-	-	-
506155 - ECR NOx Operation - Labor and Other			-	-
512151 - ECR NOx Maintenance		_	_	_
Total 2001 Plan O&M Expenses			-	-
2005 Plan				
502056-ECR Scrubber Operations			79,604.24	79,604.24
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense				-
Total 2005 Plan O&M Expenses		- 1	79,604.24	79,604.24
2007 PJ	1			
2006 Plan 506159 - ECR Sorbent Injection Operation			10,718.43	10,718.43
506152 - ECR Sorbent Reactant - Reagent Only	<del></del>		53.112.01	53,112,0
512152 - ECR Sorbent Injection Maintenance			(218.37)	(218,37
506150 - ECR Mercury Monitors Operation			(2,0.57)	(210,5
512153 - ECR Mercury Monitors Maintenance				
502056 - ECR Scrubber Operations		1	(4,642.25)	(4,642.2
512055 - ECR Scrubber Maintenance			6.094.51	6,094.5
506154 - ECR NOx Operation - Consumables			23,586,70	23,586.70
506155 - ECR NOx Operation - Labor and Other			772,87	772.8
512151 - ECR NOx Maintenance			587.43	587.4
506051 - ECR Precipitator Operation	_		-	-
506151 - ECR Activated Carbon			_	-
512051 - ECR Precipitator Maintenance			673.55	673.5
Total 2006 Plan O&M Expenses	S -		90,684.88	90,684.8
2009 Plan			···	
502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance			· · · · · · · · · · · · · · · · · · ·	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			
Net 2009 Plan O&M Expenses		Management of Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Articles and Arti		

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		<del></del>
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates	,	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	[ \$ ~	- 18

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M								
-		1									
Total Monthly Bene	ficial Reuse Expense		-								
Adjustment for Ben	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)										
Net Beneficial Reus	Net Beneficial Reuse O&M Expense										

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: July 31, 2011

			Non- Jurisdictional Revenues	Total Compa	iny Revenues						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	revironmental Excluding In Surcharge Total Environmental Off Revenues Surcharge		Total Including Off-System Sales	Total	Total Excluding Environmental Surcharge		
				(10.5 0.00)	(2)+(3)+(4)+(5)	(6)-(5)	(See Note 1)	(6)+(8)	(9)-(5)		
Aug-10	86,172,751	2,911,577	1,791,028	(125,080)	90,750,276	90,875,356	7,304,722	98,054,998	98,180,078		
Sep-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168		
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945		
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237		
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030		
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	. 99,476,065	99,329,497		
Feb-I1	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631		
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485		
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917		
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976		
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749		
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855		
for 12 Months Endir	ng Current Expense Mon	excluding Environmental oth. Trent Month (Environment		from Calculations):		\$ 74,979,613					
					(7) / Column (10) =				91.80%		
THE RESERVE THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PA	pense Month Kentucky Jurisdictional Revenues Divided by Expense Month Total Company Revenues: Column (7) / Column (10) =  Note 1 - Excludes Brokered Sales,  Total for Current Month = \$										

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2011

	Revenues per	F	Revenues per
	Form 3.00	Inc	ome Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 86,246,494	\$	86,246,494
Fuel Adjustment Clause	\$ 4,806,290	\$	4,806,290
DSM	\$ 1,627,342	\$	1,627,342
Environmental Surcharge		\$	1,362,039
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 92,680,126		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 8,276,729	\$	8,276,729
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 8,276,729		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 100,956,855		
Reconciling Revenues			
Brokered	\$ (378,771)	\$	(378,771)
InterSystem (Transmission Portion Booked in Account 447)		\$	_
Unbilled		\$	12,378,426
Miscellaneous		\$	1,324,250
Total Company Revenues per Income Statement =		\$	115,642,800



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

RECEIVED

SEP 2 0 2011

PUBLIC SERVICE COMMISSION

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

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

September 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of August 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after September 30, 2011.

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

Sincerely,

Robert M. Conroy

Enclosures

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 144,799

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

0.19%

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

Submitted by:

Title: Director, Rates

Date Submitted: September 20, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of August 2011

#### Calculation of Total E(m)

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

		Envi	Environmental Compliance Plans					
(1) RB (2) RB / 12 (3) (ROR + (ROR (4) OE (5) BAS (6) BR	- DR) (TR / (1 - TR)))	= \$ = = =	72,163,121 6,013,593 11.31% 476,182 37					
(7) E(m)	(3) x (3) + (4) - (5) + (6)	· = \$	1,156,282					

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	=	93.59%
Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	1,082,164
Adjustment for (Over)/Under-collection pursuant to	=	-
Prior Period Adjustment (if necessary)	=	-
Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	₩	1,082,164
Revenue Collected through Base Rates	= \$	937,365
Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	144,799
Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	<b>≈</b> \$	76,198,522
Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	×	0,19%
	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]  Adjustment for (Over)/Under-collection pursuant to Prior Period Adjustment (if necessary)  Adjusted Jurisdictional E(m) = (9) + (10) + (11)]  Revenue Collected through Base Rates  Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]  Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)] = \$  Adjustment for (Over)/Under-collection pursuant to = Prior Period Adjustment (if necessary) = Adjusted Jurisdictional E(m) [(9) + (10) + (11)] =   Revenue Collected through Base Rates = \$  Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)] = \$  Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00 = \$

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

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

Determination of Environmental Compliance Rate Base

	Enviromental	l Compliance Plan			
Eligible Pollution Control Plant	\$ 64,865,222				
Eligible Pollution CWIP Excluding AFUDC	12,932,577				
Subtotal		\$ 77,797,799			
Additions;					
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-				
Cash Working Capital Allowance	220,653				
Deferred Debit Balance Mill Creek Ash Dredging	, <u>-</u>				
Subtotal		220,653			
Deductions:					
Accumulated Depreciation on Eligible Pollution Control Plant	3,237,960				
Pollution Control Deferred Income Taxes	2,617,371				
Subtotal		5,855,331			
Environmental Compliance Rate Base		\$ 72,163,121			

**Determination of Pollution Control Operating Expenses** 

	Enviromental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 270,125
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	•
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Less: Operating Expenses Associated with Retirements or Replacements	<u>-</u>
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 476,182

Determination of Beneficial Reuse Operating Expenses

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

Proceeds From By-Product and Allowance Sales

,	Total Proceed		Amount in Base Rates	Net Proceeds		
	(1)		(2)		(1) - (2)	
Allowance Sales	\$	37 \$		\$	37	
Scrubber By-Products Sales		-	-		-	
Total Proceeds from Sales	\$	37 \$		\$	37	

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)	ar many a second	(9)
Description	Plant In Accum		Eligible Accumulated Depreciation	numulated Amount		Eligible Net Plant In Service		Deferred Tax Balance as of		Tax Balance ITC Amortization Credit		Monthly epreciation Expense	Monthly Property Tax Expense		
								(2)-(3)+(4)						772200 or 4-10-41	native in the same
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	s	-		s	•	s	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$	-	s s	<u>-</u>	\$ \$	-	s s	<u>.</u>	\$ \$	-		\$	-	\$	-
Net Total - 2001 Plan:	S		\$	-	\$		\$	_	\$			Ś		S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	-	\$ \$ \$	-	\$ \$ \$	-	\$ \$ \$ \$	-	\$ \$ \$ \$	-		\$ \$ \$ \$	- - -	\$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	s s	-
Net Total - 2003 Plan:	\$		\$	_	\$	_	S	-	\$	_		\$	-	\$	
2005 Plau: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$ \$ \$ \$ \$	850,100 308,507 - 7,361,077	\$ \$ \$ \$	434,348 388,141 112,674 53,975 1,431,202	\$ \$ \$ \$	655,635 - - - -	\$ \$ \$ \$	4,384,081 4,998,063 737,426 254,533 5,929,876	\$ \$ \$	324,338 99,648 19,756 - 1,217,127		\$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$	448 622 95 33 - 763
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	s s	18,068,683 (2,520,865)		2,420,340 (969,332)		655,635	\$	16,303,978 (1,551,534)		- ,		s	44,380 (5,253)		1,961
Net Total - 2005 Plan:	S	15,547,817	\$	1,451,008	S	655,635	\$	14,752,444	\$	1,678,463	· ·	\$	39,127	\$	1,767

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2011	п	Monthly C Amortization Credit	Ι	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$	1,135,646 327,504 246,498 77,304	S	467,944 444,939 - -		42,762,130 3,557,511 1,803,848 319,847	\$ \$	486,571 313,099 60,783 78,455	s	14,527	\$ \$ \$	8,867	\$ \$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	49,317,405	\$ s	1,786,952	s s	912,883	s s	48,443,336	\$ \$	938,908	\$	14,527	s s	172,558 -	\$ \$	6,144
Net Total - 2006 Plan;	\$	49,317,405	\$	1,786,952	\$	912,883	\$	48,443,336	\$	938,908	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	s s s	-	\$ \$ \$	-	\$ \$ \$ \$	1,114,064 7,570,448 2,062,809 616,738	\$	1,114,064 7,570,448 2,062,809 616,738	\$	:			\$ \$ \$		\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	s s	-	s s	11,364,059	s s	11,364,059	s				s s		\$	989 <u>-</u>
Net Total - 2009 Plan:	\$		\$	<u> </u>	\$	11,364,059	\$	11,364,059	\$	_	† - ·	The Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the Court of the C	\$	-	Š	989
		The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	Ĭ.				Ĺ		Ϊ			100				
Net Total - All Plans;	S	64,865,222	\$	3,237,960	\$	12,932,577	\$	74,559,839	\$	2,617,371	\$	14,527	\$	211,685	\$	8,899

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

Attachment to Response to SV Question No. 2(h)
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Conroy
ES FORM 2.30

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: August 31, 2011

Vintage Year	Nur	nber of Allowan	ces	Tot	al Dollar Value Of Vint	age Year		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx		
	· -	Annual	Ozone Season	_	Annual	Ozone Seaso	n	
Current Year	134,248	3,253	1,630	\$ 2,000.36	\$	- \$	4.70	
2012	62,379	14,133	6,212					
2013	62,379	14,133	6,212					
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031 - 2040	623,790							

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of August 2011

	Beginn	ing	Allo	cations/	1 1	Utilized		Utilized	1			Ending		Allocation, Purchase, or	
	Invent	ory	Pur	rchases	(C	loal Fuel)		(Other Fuels)	<u> </u>	Sold	<u> </u>	Inventory		Sale Date & Vintage Years	
TOTAL EMISSI	ON ALLOW	ANCE	YNI NI	VENTORY	, ALL	CLASSIFIC	ATIO	NS							
Quantity	I	41,303		0		4,555		0		2,500		134,248			
Dollars	\$ 2,	105.48	\$		\$	67.87		-	\$	37.25	\$	2,000.36			
\$/Allowance	\$	0.01	\$	-	\$	0.01	\$		\$	0.01	\$	0.01			
ALLOCATED A	T T OWANG	TE TO	NA EDA	· COAT E	TIET										
Quantity		39,276	FIVE DEEP	COAL F	UEL	4,454	1		1	2,500	1	132 322	Sale to KU (2,500)		
Dollars		,052,58	\$		\$	66.37			1	37.25	9	1,948.96	Sale to RO (2,300)		
DOMAIS		,052,56	Ψ		\$	00.57	13		+*	31.23	<del>  •</del>	1,548,50			
				· ···			1				Ь.			<del></del>	
ALLOCATED A Quantity		2,027	DM EPA	-	FOEL	101			Ţ		$\Box$	1,926			
Dollars	\$	52.90	\$	-	\$	1.50	\$	-	\$	-	\$				
Dollars	\$	52.90	\$	-	\$	1.50	\$	-	\$		\$	51.40			-
				-	\$	1.50	\$	-	\$		\$				
ALLOWANCES				-	\$	1.50	\$	-	\$	•	\$				
ALLOWANCES				_	\$	1.50	S	-	\$	-	\$				
ALLOWANCES From Market: Quantity	FROM PU		ES:			1.50		-							
ALLOWANCES From Market: Quantity Dollars	FROM PU	RCHAS	ES:		\$		\$		\$	-	s	51.40			
ALLOWANCES From Market: Quantity	FROM PU	RCHAS	ES:									51.40			
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PU	RCHAS	ES:		\$	-	\$	-	\$	-	s	51.40			
ALLOWANCES From Market: Quantity Dollars S/Allowance From KU	FROM PU	RCHAS	ES:		\$	-	\$		\$	-	s	51.40			
ALLOWANCES From Market: Quantity Dollars S/Allowance From KU Quantity	FROM PU	RCHAS	ES:   \$   \$   \$		\$	-	\$ \$	-	\$ \$		\$ \$	51.40			
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity Dollars	S FROM PU	RCHAS	ES:	-	\$ \$	-	\$ \$		\$ \$		\$ \$	51.40			
ALLOWANCES From Market: Quantity Dollars S/Allowance From KU Quantity	FROM PU	RCHAS	ES:   \$   \$   \$		\$		\$ \$		\$ \$		\$ \$	51.40			
ALLOWANCES from Market: Quantity Dollars S/Allowance from KU Quantity Dollars	S FROM PU	RCHAS	ES:	-	\$ \$		\$ \$		\$ \$		\$ \$	51.40			

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of August 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
-/		1 010110505	Code r dety	(Onter 1 dels)	1 00/4	anventory	Date Date & Village Teas
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	3,170	0	1,524	16	0	1,630	
Dollars	\$ 9.15	\$ -	\$ 4.40	\$ 0.05	\$ -	\$ 4.70	
S/Allowance	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
	LLOWANCES FRO					(	
Quantity	3,039		1,524	-		1,515	
Dollars	\$ 8.77	\$ -	\$ 4.40	s -	-	\$ 4.37	
		<u> </u>	<u> </u>		l		
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	131	_	-	16	_	115	
Dollars	\$ 0.38	\$ -	\$ -	\$ 0.05	\$ -	\$ 0.33	
			-				,
	FROM PURCHAS	ES:					
From Market:							
Quantity	0	<u> </u>		0			
Dollars	- \$	\$ -	\$ -	\$ -	\$ -	S -	
\$/Allowance	\$ -	\$ -	\$ -	-	s -	s -	
		Y	<del>,</del>				
From KU:							
Quantity	0			0			
Dollars	\$ -	-	s -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	s -	\$	\$	\$ -	\$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of August 2011

	Beginning		ations/	Utilized		Utilized		Q 11		Ending	Allocation, Purchase, or
	Inventory	Purc	hases	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANC		ENTORY,								·
Quantity	4,79		0	1,52		16		0		3,253	
Dollars .	\$ -	\$		\$	\$		\$	-	\$		
\$/Allowance	\$ -	\$	-	\$ -	\$	-	\$	-	\$_	- 1	
	LLOWANCES F		COAL FU								
Quantity	4,66			1,52		-		-	<u> </u>	3,142	
Dollars	\$ -	\$		\$ -	\$		\$		\$		
	LLOWANCES F		OTHER	FUELS							
Quantity	12		-	-		16				111	
Dollars	\$ -	\$	-	\$ -	\$		\$		\$		
									L	l	
	FROM PURCEL	SES:									
From Market:	<u> </u>						ļ <u> </u>		<del>                                     </del>		
Quantity		0	0		0	0		0	-	0	
Dollars	\$ -	\$		\$ -	\$	· · · · · · · · · · · · · · · · · · ·	\$		\$		
\$/Allowance	\$ -	\$		\$ -	1\$	-	\$		\$		
									,	<del></del>	
Y Y.T.T.											
From KU:		0	0		0	0		0	<del></del>	0	
Quantity					<b>S</b>	_	\$	-	\$		
Quantity Dollars	s -	\$	-	\$ -					_		
Quantity	\$ - \$ -	\$	-	\$ -	\$	-	\$	-	\$	-	
Quantity Dollars						-	\$	-	_\$		

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	165,844
10th Previous Month		94,372
9th Previous Month		121,474
8th Previous Month		175,687
7th Previous Month	-	100,889
6th Previous Month		160,038
5th Previous Month		150,155
4th Previous Month		102,021
3rd Previous Month		148,079
2nd Previous Month		106,254
Previous Month		170,289
Current Month		270,125
Total 12 Month O&M	\$	1,765,227

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$		1,765,227							
One Eighth (1/8) of 12 Month O&M Expenses	٠	1/8								
Pollution Control Cash Working Capital Allowance	\$		220,653							

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan 506154 - ECR NOx Operation — Consumables				
				·····
506155 - ECR NOx Operation Labor and Other	<del></del>			
512151 - ECR NOx Maintenance Total 2001 Plan O&M Expenses			-	
Total 2001 Flan Occivi Expenses	- A LANCE CONTRACTOR OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PAR		<u> </u>	
2005 Plan				
502056-ECR Scrubber Operations			52,402.46	52,402.46
512055-ECR Scrubber Maintenance			-	-
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses			52,402.46	52,402.46
		Will the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of		2407
2006 Plan				
506159 - ECR Sorbent Injection Operation		-	12,834.85	12,834,85
506152 - ECR Sorbent Reactant - Reagent Only		<del>-</del>	54,189.18	54,189.18
512152 - ECR Sorbent Injection Maintenance			318.80	318.80
506150 - ECR Mercury Monitors Operation	-	-	-	-
512153 - ECR Mercury Monitors Maintenance	-	-	-	
502056 - ECR Scrubber Operations			13,597.19	13,597.19
512055 - ECR Scrubber Maintenance			7,706.74	7,706.74
506154 - ECR NOx Operation - Consumables			19,151.11	19,151.11
506155 - ECR NOx Operation - Labor and Other			1,542.80	1,542.80
512151 - ECR NOx Maintenance			99.29	99.29
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon	_		104,635.06	104,635,06
512051 - ECR Precipitator Maintenance			3,647.55	3,647.55
Total 2006 Plan O&M Expenses	\$ -	-	217,722.57	217,722.57
2009 Plan				
502012 - ECR Landfill Operations	-		-	-
512105 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses			-	
Current Month O&M Expense for All Plans	- 18		270,125.03	270,125.03

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing COR Discoul Existing (Due 2000 Discoul)		· · · · · · · · · · · · · · · · · · ·
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	φ.	
(1) 12 Months Ending with Expense Month	Ψ	- \$ -
(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]	\$ -	φ.
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		
justment for Base Rate Amount (to ES Form 2.50)	1\$ -	

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

Note 2: ES Form 2,51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
	-		
			,
			T
Total Monthly Bene	ficial Reuse Expense		\$ -
	eficial Reuse in Base Rates (from ES Form	2.61)	\$ -
Net Beneficial Reus	e O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Ca	ane Run		Mill Creek	Trim	ole County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			Τ		<u> </u>		
(1) 12 Months Ending with Expense Month	\$		\$		9		
(2) Monthly Amount [(1) / 12]	\$	-	\$		\$	_	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$		\$	-	
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$		\$	-	
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$		\$	-	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$		\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	+	\$	-	\$	-	
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates							
Adjustment for Base Rate Amount (to ES Form 2.60)	\$		\$		\$	-	\$ -

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

ES FORM 3.00

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: August 31, 2011

			Kentucky Jurisd	lictional Revenues			Non- Jurisdictional Revenues	Total Compa	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (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-10	85,610,679	1,618,012	1,527,512	(520,026)	88,236,177	88,756,203	9,116,965	97,353,142	97,873,168
Oct-10	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10		2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-I1	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,200
for 12 Months Endi	urisdictional Revenues, E ing Current Expense Mor	nth.				s 76,198,522	ì		
	ation Percentage for Cur Kentucky Jurisdictional R				1 (7) / Column (10) =				93,59%
		A CAMPA MARKET MA		:				es Brokered Sales, otal for Current Month =	\$ (436,382,87

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2011

		Revenues per	R	evenues per
•		Form 3.00		ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	99,019,080	\$	99,019,080
Fuel Adjustment Clause	\$	4,591,621	\$	4,591,621
DSM	\$	1,891,554	\$	1,891,554
Environmental Surcharge			\$	272,788
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	105,502,255		
Non -Jurisdictional Revenues InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	7,222,945	\$	7,222,945
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,222,945		
Total Company Revenues for Environmental Surcharge Purposes =	\$	112,725,200		
Reconciling Revenues		(426,282)		(427.202
Brokered	\$	(436,383)		(436,383
InterSystem (Transmission Portion Booked in Account 447)			\$	-
Unbilled	L.,		\$	(8,640,630
Miscellaneous			\$	1,558,468
Total Company Revenues per Income Statement =			\$	105,479,443



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

OCT 1 8 2011

PUBLIC SERVICE

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

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

October 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after October 28, 2011.

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in September 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

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

Sincerely,

Robert M. Conroy

Enclosures

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

8/1/2011 .

INVOICE #:

20110801

INVOICE PERIOD:

07/06/11 - 08/01/11

PROJECT NAME:

Kentucky LGE Environmental Compliance

ITAGE PROJECT#:

2011-56

AUG 0 5 2011

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

Fra Paris
Y 3 564
WICE
PUPLIO SERVICE
C. Million

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Bolsmenu Mark Fowler	July July July July	50. . 16	\$240 \$240	\$3,840.00	,	\$10,400.00 \$12,000.00 ,\$3,840.00 \$4,320.00	
SUB TOTALS		124		. \$30,560.00	\$0.00	\$30,560.00	
TOTAL FEES					_	_	\$30,560.00

TOTAL FEES 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 How Bull

Kentucky invoice 20110801, 8/1/2011

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 156,849

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

0.21%

Effective Date for Billing: November billing cycle beginning October 28, 2011

Submitted by:

Title: Director, Rates

Date Submitted: October 18, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of September 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	==	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	22	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

				Environmen	ital Compliance Plans
RB			. =	\$	72,226,494
RB / 12			=		6,018,875
(ROR + (ROR - E	R) (TR / (1 - TR)))		==		11.31%
ÒB `	,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,, ,,		=		395,167
BAS			<b>**</b>		37
BR			F		•
E(m)	(2) × (3) + (4) • (5) + (6)		£	\$	1,075,865
	(ROR + (ROR - E OE BAS BR	RB / 12 (ROR + (ROR - DR) (TR / (1 - TR))) OE BAS BR	RB / 12 (ROR + (ROR - DR) (TR / (1 - TR))) OE BAS BR	RB / 12 == (ROR + (ROR - DR) (TR / (1 - TR)))	RB = \$ RB/12 = [ROR + (ROR - DR) (TR / (1 - TR))] =   DE

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.00	<b>=</b>	87,55%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	<b>\$</b>	941,920
(10)	Adjustment for (Over)/Under-collection pursuant to	=	•
(11)	Prior Period Adjustment (if necessary)	=	•
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=	941,920
(13)	Revenue Collected through Base Rates	<b>= \$</b>	785,071
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	156,849
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3,00	<b>≂</b> \$	76,075,877
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	==	0.21%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental Comp	oliance Plan
Bligible Pollution Control Plant	\$ 64,865,222	
Eligible Pollution CWIP Excluding AFUDC	13,361,797	
Subtotal	\$	78,227,019
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	-	
Cash Working Capital Allowance	221,741	
Deferred Debit Balance Mill Creek Ash Dredging	-	
Subtotal		221,741
Deductions:	<b>《大学》的《</b>	
Accumulated Depreciation on Eligible Pollution Control Plant	3,454,898	
Pollution Control Deferred Income Taxes	2,767,368	
Subtotal		6,222,266
Environmental Compliance Rate Base	\$	72,226,494

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 174,545
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	-
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	14,565
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 395,167

Determination of Beneficial Reuse Operating Expenses

	Environmental
	Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ -
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	-
	4.00
Net Beneficial Reuse Operations Expense	\$ -

Proceeds From By-Product and Allowance Sales

	T	otal An	nount in	Net
	Pro	ceeds Ba	se Rates	Proceeds
	(	(1)	(2)	(1) - (2)
Allowance Sales	\$	37 \$	- \$	37
Scrubber By-Products Sales		-		-
Total Proceeds from Sales	\$	37 \$	- \$	37

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2011

(1)		(2)		(3)		(4)		(S)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2011	Monthly ITC Amortization Credit	r	Monthly Depreciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)					**************************************		
2001 Plan: Project 6 - LGE NOx	s	,	s	7	\$	-	s	-	\$	-		s	•	s	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	\$		\$	-	\$	-	\$ \$	-	s s	-		\$ \$		s s	-
Net Total - 2001 Plan:	S	-	\$	-	\$	-	\$	_	\$	-	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	\$	-	S	_
2003 Plan: Project 7 - Mill Creck FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creck Project 10 - SO ₂ Absorber Trays - Mill Creck 3 & 4	\$ \$ \$		S S S	- - - -	\$ \$ \$	• • •	\$ \$ \$		\$ \$ \$	-		\$ \$ \$	1111	\$ \$ \$	
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$		\$	-	\$	-	s s	-	\$ \$	-		\$ \$	-	\$ \$	-
Net Total - 2003 Plan:	\$	-	\$	-	\$	-	\$		\$	-		\$	-	\$	_
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,818,430 4,730,568 850,100 308,507 7,361,077 18,068,683 (2,520,865)	\$ \$ \$ \$	444,415 396,538 115,239 55,121 - 1,453,408 2,464,721 (969,332)	\$ \$ \$	1,338 714,790 - - - - 716,129	\$ \$ \$ \$	4,375,353 5,048,821 734,861 253,386 5,907,670 16,320,091 (1,551,534)	\$ \$ \$ \$	459,998 330,055 101,650 19,886 - 1,233,766 2,145,355 (384,695)	a Mediddiddos magarraeg.	\$ \$ \$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206 44,380 (5,253)	\$ \$ \$ \$ \$	448 622 95 33 - 763 1,961 (194)
Net Total - 2005 Plan;	\$	15,547,817	\$	1,495,389	\$	716,129	\$	14,768,557	\$	1,760,660		\$	39,127	\$	1,767

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

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2011

(1)	7.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5.5	(2)		(3)		(4)		(5)		(6)	DITAMENTAL	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2011		Monthly Amortization Credit	I	Monthly Depreciation Expense	p	Monthly roperty Tax Expense
	<u> </u>	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)						(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Purticulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$	1,288,199 337,281 255,365 78,665	S S	463,499 446,428 - -		42,605,132 3,549,224 1,794,981 318,486	\$ \$	543,977 321,632 62,250 78,849	s	14,527	S S S	8,867	\$ \$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s s	49,317,405	\$ \$	1,959,510 -	s s	909,928	s s	48,267,823 -	\$	1,006,708	\$	14,527 -	\$	172,558 -	\$ \$	6,144 -
Net Total - 2006 Plan:	\$	49,317,405	\$	1,959,510	\$	909,928	\$	48,267,823	S	1,006,708	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	-	\$ \$ \$	-	s s s	1,139,335 7,785,982 2,172,925 637,498	\$ 5	1,139,335 7,785,982 2,172,925 637,498	\$				\$ \$ \$	-	2 2 2 2 2	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	S S	**	s s	11,735,740	\$ \$	11,735,740	\$	-			\$ S	=	\$	<b>98</b> 9 -
Net Total - 2009 Plan;	S	-	\$	-	\$	11,735,740	S	11,735,740	\$				\$	-	S	989
Net Total - All Plans:	\$	64,865,222	\$	3,454,898	\$	13,361,797	\$	74,772,121	\$	2,767,368	\$	14,527	\$	211,685	\$	8,899

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: September 30, 2011

Vintage Year	Number of Allowances			Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	128,034	2,460	1,087	\$ 1,907.75	\$ -	\$ 865.13	
2012	62,379	14,133	6,212				
2013	62,379	14,133	6,212				
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of September 2011

	Beginning	Allocations/	Utilized	Utilized		Ending	· Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
				,			
			, ALL CLASSIFIC	P			· · · · · · · · · · · · · · · · · · ·
Quantity	134,248	0	3,714	0		128,034	
Dollars	\$ 2,000.36		\$ 55.36		\$ 37.25		
\$/Allowance	\$ 0.01	S -	\$ 0.01	S -	\$ 0.01	\$ . 0.01	
ALLOCATED AT	LOWANCES FRO	M EPA: COAL F	TITET.				•
Quantity	132,322		3,628	T	2,500	126,194	Sale to KU (2,500)
Dollars	\$ 1,948.96	\$ -	\$ 54.08	s -	\$ 37.25		
Quantity Dollars	1,926 \$ 51.40	-	### SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SECTION   SE		\$ -	1,840 \$ 50.12	
ALLOWANCES I	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-	_			
Dollars	\$ -	"\$	-	-	-	\$ -	
\$/Allowance	-	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	_	-		-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	· -	\$ -	\$ -	-	\$ -	\$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of September 2011

	Begins		Allocation Purchase		Utilized (Coal Fuel	,	Utilized (Other Fuels)	Sol	lđ		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOW	VANCES	IN INVENT	TORY.	, ALL CLASS	IFIC.	ATIONS					
Quantity		1,630		750		285	8		0	I	1,087	, , , , , , , , , , , , , , , , , , , ,
Dollars	\$	4.70	\$ 80	64.16	\$ 3	70	\$ 0,03	\$	_	\$	865,13	
\$/Allowance	\$		\$	1.15	\$	-	\$ -	\$	_	\$	0.80	
ALLOCATED A	LLOWANC	ES FRO	M EPA: CO	ALF	UEL				. , .			,
Quantity		1,515		-		285			-			Ending Inventory includes purchase from KU as shown
Dollars	\$	4.37	\$	-	\$ 3	3.70	\$ -	\$		\$	864.83	below.
		, and the second										
ATTOCIONE	Y Y CATTA NIC	יועש פשי	M EPA: OT	HER !	FUELS							
	\$	115 0.33		-		-	\$ 0.03	\$	-	\$	107 0.30	
Quantity Dollars  ALLOWANCES From Market;	\$	0.33	S	-				\$		S		
Quantity Dollars  ALLOWANCES From Market;	\$	0.33	S	-				\$		S		
Quantity Dollars  ALLOWANCES	\$	115 0.33 RCHASI	S	-	\$	0	\$ 0.03	\$	-	\$	0.30	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PUI	115 0.33 RCHASI	\$ 38:	0	\$	0	\$ 0.03		-		0.30	
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PUI	115 0.33 RCHASI 0	\$ 38:	0	\$	0	\$ 0.03 0 \$ -	\$	0	\$	0.30	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$/Allowance	FROM PUI	115 0.33 RCHASI 0	\$ 38:	0	\$	0	\$ 0.03 0 \$ -	\$	0	\$	0.30	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$/Allowance	FROM PUI	115 0.33 RCHASI 0	\$ 38:	0	\$	0	\$ 0.03 0 \$ -	\$	0	\$ \$	0.30	Purchase from KU - included in Ending Inventory -
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars \$/Allowance From KU;	FROM PUI	0.33 RCHASI	\$ SS:	0	\$ \$	0 0	\$ 0.03	\$	0	\$ \$	0.30	Purchase from KU - included in Ending Inventory - Coal Fuel as shown above.

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2011

	Beginning	Allocations/	Üt	ilized	Utilized				Ending	Allocation, Purchase, or
	Inventory	Purchases	(Co:	al Fuel)	(Other Fuels)	L	Sold		Inventory	Sale Date & Vintage Years
	7									
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTOR	Y, ALL C	LASSIFIC	ATIONS					
Quantity	3,253			1,285	8		0		2,460	
Dollars	-	\$ -	\$	-	\$ -	\$	-	\$	-	
Allowance	\$ -	\$ -	\$	-	\$ -	\$		\$	-	
LLOCATED A	LLOWANCES FRO	OM EPA: COAL	FUEL							
Quantity	3,142			1,285	-				2,357	Ending Inventory includes purchase from KU as shown
Dollars	\$ -	-	\$	-	\$ -	\$	-	\$_	<u>-</u>	below.
	1					1		<u></u>		
					٠					
	LLOWANCES FR		R FUELS					,		
Quantity	111			-	8		-	_	103	
Dollars	\$ -	S -	\$	-	\$	\$		\$	-	
		1				1		ı		
		<u> </u>								
		1								
	FROM PURCHAS	ES:								
rom Market:										
rom Market: Quantity	0		0	0	0		0		0	
rom Market: Quantity Dollars	0	\$ -	\$	0	\$ -	\$	0	\$	0	
rom Market: Quantity Dollars	0			0 -			0 -	\$		
rom Market: Quantity Dollars 8/Allowance	0	\$ -	\$	0 -	\$ -	\$		_	-	
rom Market: Quantity Dollars S/Allowance rom KU:	\$ - \$ -	\$ -	\$	-	\$ - \$ -	\$	-	_	-	
rom Market: Quantity Dollars MAllowance rom KU: Quantity	0 \$ -	\$ -	\$ \$	0 -	\$ - \$ -	\$		\$	-	Purchase from KU - included in Ending Inventory -
rom Market: Quantity Dollars 8/Allowance	\$ - \$ -	\$ -	\$	-	\$ - \$ -	\$	-	_	-	Purchase from KU - included in Ending Inventory - Coal Fuel as shown above.

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2011

Environmental Compliance Plan					
O&M Expenses		Amount			
11th Previous Month	\$	94,372			
10th Previous Month		121,474			
9th Previous Month		175,687			
8th Previous Month		100,889			
7th Previous Month		160,038			
6th Previous Month		150,155			
5th Previous Month		102,021			
4th Previous Month		148,079			
3rd Previous Month		106,254			
2nd Previous Month		170,289			
Previous Month		270,125			
Current Month		174,545			
Total 12 Month O&M	\$	1,773,928			

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$		1,773,928				
One Eighth (1/8) of 12 Month O&M Expenses		1/8					
Pollution Control Cash Working Capital Allowance	\$		221,741				

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Euded: September 30, 2011

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
	<u> </u>	4-9A-1AB	***************************************	
2001 Plan 506154 - ECR NOx Operation — Consumables	the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s			
506155 - ECR NOx Operation Labor and Other	<del>-</del> 김 씨는 그 전 시작화	-		
512151 - ECR NOx Maintenance			-	-
Total 2001 Plan O&M Expenses	sided policy of the properties	-	-	-
		111111111111111111111111111111111111111		
2005 Plan 502056-ECR Scrubber Operations			£1 100 ££	£1 100 ££
512055-ECR Scrubber Maintenance	<b></b>		51,108.65	51,108.65
Ashpond Dredging Expense		arter extra deservición de action consumero das	77.00	
Total 2005 Plan O&M Expenses			51 109 66	51,108.65
10tal 2003 Plan Owlyl Expenses			51,108.65	31,108.03
2006 Plan				
506159 - ECR Sorbent Injection Operation			12,206.01	12,206,01
506152 - ECR Sorbent Reactant - Reagent Only		-	61,808.18	61,808.18
512152 - ECR Sorbent Injection Maintenance		-	(217.55)	(217.55
506150 - ECR Mercury Monitors Operation	-	_	-	
512153 - ECR Mercury Monitors Maintenance	-	-	-	-
502056 - ECR Scrubber Operations		1	7,351.37	7,351.37
512055 - ECR Scrubber Maintenance			5,518.97	5,518.97
506154 - ECR NOx Operation - Consumables			9,734.31	9,734.31
506155 - ECR NOx Operation - Labor and Other			762.93	762.93
512151 - ECR NOx Maintenance			903.17	903.17
506051 - ECR Precipitator Operation	<del></del>		475.51	475.51
506151 - ECR Activated Carbon			16,511.48	16,511,48
512051 - ECR Precipitator Maintenance			8,381.97	8,381.97
Total 2006 Plan O&M Expenses	S -	-	123,436,35	123,436.35
2009 Plan				
502012 - ECR Landfill Operations	-		-	_
512105 - ECR Landfill Maintenance				-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	<del></del>
Net 2009 Plan O&M Expenses				
C. The Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the Country of the			184 636 00 1	154 546 00
Current Month O&M Expense for All Plans	3 -	-	174,545.00	174,545.00

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

	On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
	ng CCP Disposal Facilities (Pre 2009 Plan Project)		
	12 Months Ending with Expense Month	- \$	Ψ
(2)	Monthly Amount [(1) / 12]	- \$	\$
2009 I	Plan Project		
(3)	Monthly Expense	-	
Total	Generating Station		:
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -
Base F	Rates		
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
	Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total (	Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
	Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
	If Line (8) Greater than Zero, No Adjustment		
	If Line (8) Less than Zero, Adjustment for Base Rates	141	
Adjustment f	for Base Rate Amount (to ES Form 2,50)	1\$ -	\$ -

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Tota	10&M
		1		
		-	-	
	<u>,</u>		1	
<u> </u>		<u> </u>	<u> </u>	
Total Monthly Bene	ficial Reuse Expense		\$	-
	eficial Reuse in Base Rates (from ES Form 2	.61)	\$	· <b>-</b>
Net Beneficial Reus	e O&M Expense		\$	-

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

On-Site CCP Disposal O&M Expense	Cane R	un	Mill C	reek	Trimble County		Total
·							
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$	- \$	<u> </u>		\$		
(2) Monthly Amount [(1) / 12]	\$	-   \$	\$		\$	-	
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	- \$	\$	÷	\$	-	
Total Beneficial Reuse - Generating Station				1			
(4) Monthly Expense $[(2) + (3)]$	\$	-   \$	\$	_	\$	-	
Beneficial Reuse in Base Rates					-		- 4
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- 5	\$	-	\$		
(6) Monthly Expense Amount [(5) / 12]	\$	- 5	\$		\$	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-   5	\$	-	\$	-	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	- 8	\$	-	\$	-	
If Line (8) Greater than Zero, No Adjustment				*****	-		****
If Line (8) Less than Zero, Adjustment for Base Rates							
djustment for Base Rate Amount (to ES Form 2.60)	18	- 15	\$		T.S.	- 13	

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

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: September 30, 2011

			Kentucky Jurisdictional Revenues					Total Compa	ny Revenues	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (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	66,657,771	2,094,966	1,020,320	(1,726,986)	68,046,072	69,773,058	11,825,887	79,871,959	81,598,945	
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237	
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030	
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497	
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631	
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485	
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917	
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976	
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749	
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855	
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,200	
Sep-11	83,107,600	2,677,626	1,499,239	165,369	87,449,834	87,284,465	12,412,938	99,862,772	99,697,403	
for 12 Months Endin	g Current Expense Mon			from Calculations):		\$ 76,075,877				
	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) =									
				у			Note 1 - Excludes Tota	Brokered Sales, al for Current Month =	\$ (255,663.22)	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2011

		Revenues per	F	Revenues per
		Form 3.00	Inc	ome Statement
Kentucky Retail Revenues				
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	83,107,600	\$	83,107,600
Fuel Adjustment Clause	63	2,677,626	\$	2,677,626
DSM	\$	1,499,239	\$	1,499,239
Environmental Surcharge			\$	165,369
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	87,284,465		
Non -Jurisdictional Revenues			:	4
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	12,412,938	\$	12,412,938
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	12,412,938		
Total Company Revenues for Environmental Surcharge Purposes =	\$	99,697,402		
Reconciling Revenues				
Brokered .	\$	(255,663)	\$	(255,663)
InterSystem (Transmission Portion Booked in Account 447)			\$	
Unbilled			\$	(15,369,178)
Miscellaneous			\$	2,021,408
Total Company Revenues per Income Statement =			\$	86,259,338



NOV 1 8 2011
PUBLIC SERVICE
COMMISSION

Louisville Gas and

**Electric Company** 

P.O. Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

220 West Main Street

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

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

November 18, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

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

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in October 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

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

Sincerely,

Robert M. Conroy

Enclosures

### 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 Drabînskî Chuck Buechel Mike Bolsmenu Mark Fowler	August August August August	68	\$240	\$10,400.00 \$16,320,00 \$21,840,00 \$7,200.00	\$90.00	\$11,393.52 \$16,410.00 \$21,840.00 \$7,200.00	•
SUB TOTALS		. 248		\$55,760.00	\$1,083.52	\$56,843.52	655 765 66

TOTAL FEES

TOTAL PERSONAL EXPENSES

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS

Invoice Amount

\$55,760.00

\$1,083.52

\$0.00

\$35.00

\$34.20

\$56,912.72

### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski 305-744-3440

Kenlucky Invoice 20110902, 9/8/2011

Attachment to Response to SV Question No. 2(h)

Page 40(2(of 11/86 20)1 Conroy

FINAN:

### INVOICE FOR PROFESSIONAL FEES AND SERVICES FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

10/1/2011

INVOICE #:

20110903

**INVOICE PERIOD:** 

09/01/2011-9/30/2011

PROJECT NAME:

Kentucky LGE Environmental Compliance

**ITAGE PROJECT #:** 

2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

#### PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinskl Chuck Buechel Mike Bolsmenu Mark Fowler	September September September September	26 88	\$240 \$240	\$19,760.00 \$6,240.00 \$21,120.00 \$11,760.00	٠	\$19,760.00 \$6,240.00 \$21,120,00 \$11,760.00	-
SUB TOTALS		239		\$58,880.00	\$0.00	\$58,880.00	, ,

TOTAL FEES

**TOTAL PERSONAL EXPENSES** 

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS

Invoice Amount

\$58,880.00

\$0.00

\$0.00

\$38.80

\$3,60

\$58,922.40

### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC.

21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 199,221

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

0.26%

Effective Date for Billing: December billing cycle beginning November 29, 2011

Submitted by:

Title: Director, Rates

Date Submitted: November 18, 2011

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Por the Expense Month of October 2011

#### Calculation of Total E(m)

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

		Environmental Compliance Plans				
(1) RB (2) RB/12		=	\$	72,290,860 6,024,238		
(4) OE	R - DR) (TR / (1 - TR)))	22 22		11,31% 322,068		
(5) BAS (6) BR		₩ •••		. '		
(7) E(m)	(2) x (3) + (4) - (5) + (6)	. =	s	1,003,401		

### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3,00	2.0		82,68%
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	829,612
(10)	Adjustment for (Over)/Under-collection pursuant to	=		-
(H)	Prior Period Adjustment (if necessary)	=		-
(12)	Adjusted Jurisdictional E(m) [(9) + (10) + (11)]	=		829,612
(13)	Revenue Collected through Base Rates	=	s	630,391
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	=	s	199,221
(15)	Jurisdictional R(n) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	n	s	75,853,157
(16)	Jurisdictional Environmental Surcharge Billing Pactor [(14) ÷ (15)]	<b>=</b>		0.26%

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

·	Enviromental Compliance Plan					
Eligible Pollution Control Plant	\$ 64,865,222					
Eligible Pollution CWIP Excluding AFUDC	13,797,198					
Subtotal	\$	78,662,420				
Additions:	No. 1 and 1					
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33						
Cash Working Capital Allowance	217,641					
Deferred Debit Balance Mill Creek Ash Dredging	<u>.</u>					
Subtotal		217,641				
Deductions:						
Accumulated Depreciation on Eligible Pollution Control Plant	3,671,836					
Pollution Control Deferred Income Taxes	2,917,365					
Subtotal		6,589,201				
Environmental Compliance Rate Base	\$	72,290,860				

Determination of Pollution Control Operating Expenses

Determination of Control Operating Expenses	
	Enviromental .
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 61,568
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	•
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	54,443
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 322,068

Determination of Beneficial Reuse Operating Expenses

	Environme	ntal
	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		Amount in		Net	
	Pro	Proceeds		Base Rates		roceeds
	(1)		(2)		(1) - (2)	
Allowance Sales	\$ .	7	\$	-	\$	7
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	7	\$		S	7

Coresoyrm 2.10 Page 1 of 2

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2011

(1)		(2)	^ <del></del>	(3)		(4)		(5)		(6)	(7)		(8)	·/	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2011	Monthly ITC Amortization Credit		Monthly epreciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)				Ī			
2001 Plan: Project 6 - LGE NOx	s	-	s.	-	s		s	*	\$	-		s	-	\$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2001 Plan	S S	-	\$ S	ļ	\$ \$	-	\$ \$	-	\$ S	-		s s	-	\$ S	-
Net Total - 2001 Plan:	S		S	_	\$	-	S		S		Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Marian Ma	S		S	
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$	-	\$ \$ \$	-	\$ \$ \$	-	\$ \$ \$		\$ \$ \$			S S S		\$ \$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	\$	-	\$	-	\$ \$	-	\$	-	s	-		s s	•	s s	
Net Total - 2003 Plan:	\$	-	\$	_	\$	-	\$	-	S			\$	-	\$	-
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5, Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	4,818,430 4,730,568 850,100 308,507 - 7,361,077	\$ \$ \$ \$	454,482 404,934 117,803 56,268 1,475,614	\$ 5 5 5	1,496 728,930 - - - - 730,426	\$ \$ \$ \$	4,365,444 5,054,564 732,297 252,239 5,885,464	3 3 3	517,706 335,772 103,653 20,016 1,250,405		\$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206	\$ \$ \$ \$	448 622 95 33 - 763
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	(2,520,865)	<u> </u>	(969,332)		-	\$	(1,551,534)	_	(384,695)		\$	(5,253)		· (194
Net Total - 2005 Plan;	\$	15,547,817	\$	1,539,769	S	730,426	\$	14,738,474	\$	1,842,856		\$	39,127	\$	1,767

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2011

(1)		(2)		(3)		(4)		. (5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service	Acc	ligible umulated reciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2011	пс	Monthly CAmortization Credit		Monthly repreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	s s s	43,429,831 3,440,076 2,050,346 397,151	\$ \$	1,440,752 347,057 264,232 80,025	\$ \$	474,394 446,428 - -	\$ \$ \$	42,463,473 3,539,448 1,786,114 317,126	S S	601,383 330,164 63,718 79,244	s	14,527	\$ \$ \$ \$	152,553 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	S S	49,317,405	\$	2,132,067	\$	920,822	\$	48,106,160 -	s s	1,074,509	\$	14,527	\$	172,558	\$ \$	6,144
Net Total - 2006 Plan;	\$	49,317,405	\$	2,132,067	\$	920,822	\$	48,106,160	\$	1,074,509	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$	- - - -	\$ \$ \$	-	S	1,155,356 8,062,536 2,284,987 643,072	\$	1,155,356 8,062,536 2,284,987 643,072	\$	- - - -			\$ \$ \$	- - -	\$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	s s	-	\$ \$	12,145,950	s s	12,145,950	\$ \$	_	i was		\$ \$	-	\$ \$	989
Net Total - 2009 Plan:	\$		\$	-	\$	12,145,950	S	12,145,950	S	-			S	-	S	989
Net Total - All Plans:	\$	64,865,222	\$	3,671,836	12	13,797,198	<u> </u> \$	74,990,584	\$	2,917,365	1 \$	14,527	, \$	211,685	\$	8,89

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2011

Vintage Year	Nun	nber of Allowane	es	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	123,960	1,835	1,087	\$ 1,847.04	\$ 24,402.00	\$ 865.13	
2012	62,379						
2013	62,379						
2014	62,379	•					
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379		<u> </u>				
2025	62,379						
2026	62,379				ļ		
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of October 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	(, ALL CLASSIF)	CATION	is.					
Quantity	128,034	0			0		500		123,960	
Dollars	\$ 1,907.75	\$ -	\$ 53.20	\$ \$	-	\$	7.45	\$	1,847.04	<u> </u>
S/Allowance	\$ 0.01		\$ 0.0	\$	-	\$	0.01	\$	0.01	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL E	TUEL							
Quantity	126,194	-	3,51	3			500		122,181	Sale to KU (500)
Dollars	\$ 1,857.63	\$ -	\$ 52.3	\$ \$	,	\$	7.45	\$	1,797.83	
Quantity Dollars	1,840 \$ 50,12		\$ 0.9	t   \$		s		\$	1,779 49.21	
					<u> </u>	1				
Donas	\$ 30.12	-	3 0.9	1 3		-		- <del></del>	47.21	
	FROM PURCHAS	SES:				1		 i		
rom Market:										
From Market: Quantity	-	-	-	9	-			•	-	
rom Market: Quantity Dollars	- \$ -	\$ -	s -	\$		\$	-	\$	-	
rom Market: Quantity Dollars	-	-		\$		\$		\$		
From Market; Quantity Dollars \$/Allowance	- \$ -	\$ -	s -				-			
From Market: Quantity Dollars \$/Allowance From KU	- \$ -	\$ -	s -				-			
From Market: Quantity Dollars \$/Allowance From KU Quantity	- S - S -	-     -	\$ - \$ -	\$			-	\$	-	
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity Dollars \$/Allowance	\$ - \$ -	- S - S -	\$ - \$ -		-	\$	-		-	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of October 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	1,087	0	0		0	1,087	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.80	\$ -	\$ -	\$ -	\$ -	\$ 0.80	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	980	-	-	H	-	980	
Dollars	\$ 864.83	\$ -	\$ -	-	\$ -	\$ 864.83	
ALLOCATED A Quantity Dollars	107 \$ 0.30	-	FUELS -	-   \$ -	\$ -	107 \$ 0.30	
					<u> </u>		
	FROM PURCHAS	ES:					
From Market:							
From Market: Quantity	0	0					
From Market: Quantity Dollars	0	0	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars	0	0					
From Market: Quantity Dollars \$/Allowance	0	0	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	0 \$ -	0 \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU: Quantity	0 \$ -	0 \$ - \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	
	0 \$ -	0 \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	-

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
OTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	(, ALL CLASSIFIC	CATIONS			
Quantity	2,460	500	1,125	0	0	1,835	
Dollars	\$ -	\$ 38,750.00	\$ 14,348,00	\$ -	\$ -	\$ 24,402.00	
Allowance	\$ -	\$ 77.50	\$ 12.75	\$ -	\$ -	\$ 13.30	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL	TUEL				
Quantity	2,357	-	1,125	-	-	1,732	Ending Inventory includes purchase from Market as shown
Dollars	S -	\$ -	\$ 14,348.00	-	\$ -	\$ 24,402.00	below.
Quantity	LLOWANCES FROM		FUELS -	- \$	- \$	103	
Quantity Dollars	103	\$ -	-				
Quantity Dollars ALLOWANCES	\$ -	\$ -	-				
Quantity Dollars  ALLOWANCES from Market:	\$ -	SES:	S -	\$ -	\$ -	\$ -	Purchased 500 2011 vintage NOx allowances from
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ -	ES: 500 \$ 38,750.00	S -	\$ -	0 \$ -	\$ - 500 \$ 38,750.00	Purchased 500 2011 vintage NOx allowances from the market - included in Ending Inventory-Coal Fuel
Quantity Dollars	\$ - S FROM PURCHAS	ES:	S -	\$ -	0	500	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	S FROM PURCHAS  0 S -	ES: 500 \$ 38,750.00	S -	0 \$	0 \$ -	\$ - 500 \$ 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	S FROM PURCHAS  0 S -	ES: 500 \$ 38,750.00	S -	0 \$	0 \$ -	\$ - 500 \$ 38,750.00	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	S FROM PURCHAS  0 S -	ES: 500 \$ 38,750.00 \$ 77.50	S -	0 \$ -	0 \$ - \$	\$ - 500 \$ 38,750,00 \$ 77,50	the market - included in Ending Inventory-Coal Fuel
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	103 \$ -  S FROM PURCHAS  0  \$ -	ES: 500 \$ 38,750.00 \$ 77.50	0 3 -	0 \$ -	0 \$ - \$	\$ - 500 \$ 38,750,00 \$ 77,50	the market - included in Ending Inventory-Coal Fuel

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2011

Environmental C	ompliance Plan	
O&M Expenses		Amount
11th Previous Month	\$	121,474
10th Previous Month		175,687
9th Previous Month		100,889
8th Previous Month		160,038
7th Previous Month		150,155
6th Previous Month		102,021
5th Previous Month		148,079
4th Previous Month		106,254
3rd Previous Month		170,289
2nd Previous Month		270,125
Previous Month		174,545
Current Month		61,568
Total 12 Month O&M	\$	1,741,124

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$		1,741,124						
One Eighth (1/8) of 12 Month O&M Expenses		1/8	:						
Pollution Control Cash Working Capital Allowance	\$		217,641						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2001 Plan	, , , , , , , , , , , , , , , , , , , ,			
506154 - ECR NOx Operation — Consumables				
506155 - ECR NOx Operation - Labor and Other		-	_	
512151 - ECR NOx Maintenance				
Total 2001 Plan O&M Expenses				
2005 Plan				
502056-ECR Scrubber Operations			(36,302,90)	(36,302,90
512055-ECR Scrubber Maintenance		i	(30,302.70)	(30,302,30
Ashpond Dredging Expense		-		-
Total 2005 Plan O&M Expenses		-	(36,302.90)	(36,302.90
2006 Plan  506159 - ECR Sorbent Injection Operation			16,765,31	16 765 21
506152 - ECR Sorbent Injection Operation 506152 - ECR Sorbent Reactant - Reagent Only			(3,269,33)	16,765.3 (3,269.3
512152 - ECR Sorbent Injection Maintenance	_	<del></del>	1,427,52	1,427.5
506150 - ECR Mercury Monitors Operation			981.31	981.3
512153 - ECR Mercury Monitors Maintenance		-	720.00	720.0
502056 - ECR Scrubber Operations		·····	22,169.19	22,169.1
512055 - ECR Scrubber Maintenance			6,953.42	6,953,4
506154 - ECR NOx Operation — Consumables	<del></del>		22.612.17	22,612.1
506155 - ECR NOx Operation Labor and Other	<del></del>		571.56	571.5
512151 - ECR NOx Maintenance			480.33	480.3
506051 - ECR Precipitator Operation			870.13	870.1
506151 - ECR Activated Carbon			26,392.00	26,392.0
512051 - ECR Precipitator Maintenance			1.197.64	1,197.6
Total 2006 Plan O&M Expenses	s -	-	97,871,25	97,871.2
2009 Plan 502012 - ECR Landfill Operations				
512105 - ECR Landfill Maintenance			<u> </u>	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	<del>-</del> ,
Net 2009 Plan O&M Expenses				
2.00 aoo a mir Owarz Disposition				
Current Month O&M Expense for All Plans	\$ -		61.568.35	61,568.3

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
Total Manthly Dane	Gaial Dance Ermana		- 1\$
Total Monthly Bene	ficial Reuse Expense		1 4
Adjustment for Bene	oficial Reuse in Base Rates (from ES Form 2	.61)	-
Net Beneficial Reuse			\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: October 31, 2011

			Kentucky Jurisd	lictional Revenues			Non- Jurisdictional Revenues	Total Compar	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	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)
Nov-10	58,149,914	1,624,586	798,900	(28,034)	60,545,367	60,573,401	11,992,836	72,538,203	72,566,237
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,200
Sep-11	83,107,600	2,677,626	1,499,239	165,369	87,449,834	87,284,465	12,412,938	99,862,772	99,697,403
Oct-11	64,191,015	1,950,880	958,522	127,590	67,228,008	67,100,418	14,051,649	81,279,657	81,152,067
for 12 Months Endir	ng Current Expense Mor					\$ 75,853,157			
		rent Month (Environmer evenues Divided by Exp			(7) / Column (10) =				82.68%
							Note 1 - Exclude To	s Brokered Sales, stal for Current Month =	\$ (82,856.62)

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: October 31, 2011

	I	Revenues per	R	evenues per	
		Form 3.00	Income Statemer		
Kentucky Retail Revenues					
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	64,191,015	\$	64,191,015	
Fuel Adjustment Clause	\$	1,950,880	\$	1,950,880	
DSM	\$	958,522	\$	958,522	
Environmental Surcharge			\$	127,590	
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	67,100,417			
Non -Jurisdictional Revenues  InterSystem ( Total Less Transmission Portion Booked in Account 447)  Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	14,051,649 14,051,649	\$	14,051,649	
Total Company Revenues for Environmental Surcharge Purposes =	\$	81,152,066		· · · · · · · · · · · · · · · · · · ·	
Reconciling Revenues					
Brokered	\$	(82,857)	\$	(82,857)	
InterSystem (Transmission Portion Booked in Account 447)			\$		
Unbilled			\$	(3,225,989)	
Miscellaneous			\$	1,361,651	
Total Company Revenues per Income Statement =			\$	79,332,461	



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

RECEIVED

DEC 2 0 2011

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

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

December 20, 2011

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after December 30, 2011.

Attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in Case No. 2011-00162, LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in November 2011. Subsequent monthly filings will include expenses paid in the appropriate expense month.

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

Sincerely,

Robert M. Conroy

Enclosures

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

11/1/2011

**INVOICE #:** 

20111004

**INVOICE PERIOD:** PROJECT NAME: 10/1/2011 - 10/31/2011 ·

**ITAGE PROJECT #:** 

Kentucky LGE Environmental Compliance 2011-56

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard

Frankfort, Kentucky 40602

PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	October October October October	10 22	\$240	\$8,320.00 \$2,400.00 \$5,280.00 \$0.00		\$8,320.00 \$2,400.00 \$5,280.00 \$0.00	19.34
SUB TOTALS		64		\$16,000.00	\$0.00	\$16,000.00	<u> </u>

**TOTAL FEES** 

TOTAL PERSONAL EXPENSES

**OVERNIGHT MAIL** 

COPYING - Black/White

**COPYING - Color** 

**MISCELLANEOUS** 

Invoice Amount

_	_		_	_	_
•	16	~~	<b>`</b>	$\sim$	•
-	71	316			

\$0.00

\$0.00

\$0.00

\$0.00

\$16,000.00

TOTAL MONTHLY INVOICE AMOUNT

\$16,00<del>0.0</del>0

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

\$ 286,636

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

0.38%

Effective Date for Billing: January billing cycle beginning December 30, 2011

Submitted by:

Title: Director, Rates

Date Submitted: December 20, 2011

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

For the Expense Month of November 2011

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	ROR+(RO	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	==	Debt Rate (both short-term and long-term debt)
TR	==	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	212	Total Proceeds from By-Product and Allowance Sales
BR	=	Reneficial Reuse Operating Expenses

				Environmental Co	mpliance Plans
(1) (2) (3) (4) (5) (6)	RB RB/12 (ROR+(ROR-DR)(TR/ OE BAS BR	(1 - TR)))	=======================================	\$	72,720,796 6,060,066 11.31% 350,770 -
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	1,036,164

#### Calculation of Jurisdictional Environmental Surcharge Billing Factor

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3,00	=	81,95%
(°)	Junisticulonal Antication Ratio for Expense Month Es Porm 5.00	_	61,9370
(9)	Jurisdictional E(m) = E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	= \$	849,136
(10)	Adjustment for (Over)/Under-collection pursuant to	=	· <u>-</u>
(11)	Prior Period Adjustment (if necessary)	==	-
(12)	Adjusted Jurisdictional $E(m)$ [(9) + (10) + (11)]	=	849,136
(13)	Revenue Collected through Base Rates	= \$	562,500
(14)	Net Jurisdictional E(m) = Jurisdictional E(m) less Expense Month Revenue Collected Through Base Rates [(12) - (13)]	= \$	286,636
(15)	Jurisdictional R(m) = Average Monthly Jurisdictional Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	75,789,762
(16)	Jurisdictional Environmental Surcharge Billing Factor [(14) ÷ (15)]	=	0,38%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

	Enviromental	Comp	liance Plan
Eligible Pollution Control Plant	\$ 64,865,222		
Eligible Pollution CWIP Excluding AFUDC	14,568,873		
Subtotal		\$	79,434,095
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	27,348		
Cash Working Capital Allowance	215,491		
Deferred Debit Balance Mill Creek Ash Dredging	-		
Subtotal			242,839
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	3,888,775		
Pollution Control Deferred Income Taxes	3,067,363		
Subtotal			6,956,138
Environmental Compliance Rate Base		\$	72,720,796

**Determination of Pollution Control Operating Expenses** 

	Enviromental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 104,274
Monthly Depreciation & Amortization Expense	211,685
less investment tax credit amortization	(14,527)
Monthly Property and Other Applicable Taxes	8,899
Monthly Insurance Expense	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	32,919
Monthly Permitting Fees	-
Amortization of Monthly Mill Creek Ash Dredging	-
Monthly Surcharge Consulting Fees - Case No. 2011-00162	7,520
Less: Operating Expenses Associated with Retirements or Replacements	-
Occuring Since Last Roll-In of Surcharge into Existing Rates	
Total Pollution Control Operations Expense	\$ 350,770

**Determination of Beneficial Reuse Operating Expenses** 

	Env	ironmental
	Comp	oliance 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	Aı	nount in		Net
	P	roceeds	Ba	ise Rates	<u> </u>	Proceeds
		(1)		(2)		(1) - (2)
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$		\$		\$	-

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description	F	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 11/30/2011		Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)							
2001 Plan: Project 6 - LGE NOx	s	-	\$	-	\$	-	\$	-	\$	-		\$	-	s	-
Subtotal Less Retirements and Replacement resulting	s	-	\$		\$	-	\$	-	\$	-		\$	-	\$	-
from implementation of 2001 Plan	\$	-	\$	-	\$	-	\$	-	\$	-		\$	-	\$	-
Net Total - 2001 Plan:	\$	-	\$	-	\$		\$	-	\$	-		\$		\$	-
2003 Plan: Project 7 - Mill Creek FGD Scrubber Conversion Project 8 - Precipitator Upgrades - All Plants Project 9 - Clearwell Water System - Mill Creek Project 10 - SO ₂ Absorber Trays - Mill Creek 3 & 4	\$ \$ \$ \$	- - -	\$ \$ \$	- -	\$ \$ \$	- - -	\$ \$ \$ \$	- - -	\$ \$ \$	- - -		\$ \$ \$	- - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2003 Plan	s	-	s s	-	\$	-	s s		\$	-		\$	-	s s	-
Net Total - 2003 Plan;	\$	-	\$	-	\$	-	\$	-	\$	-		\$		\$	-
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1  Subtotal Less Retirements and Replacement resulting	\$ \$ \$ \$ \$ \$	4,818,430 4,730,568 850,100 308,507 7,361,077	\$ \$ \$ \$	464,548 413,331 120,368 57,415 - 1,497,820 2,553,481	\$ \$ \$ \$	2,669 743,775 - - - - 746,444	\$ \$ \$ \$	, ,	\$ \$ \$ \$			\$ \$ \$ \$ \$ \$	10,067 8,397 2,564 1,147 - 22,206 44,380	\$ \$ \$ \$	448 622 95 33 - 763 1,961
from implementation of 2005 Plan	\$	(2,520,865		(969,332		•	\$					\$	(5,253		· ·
Net Total - 2005 Plan:	\$	15,547,817	\$	1,584,150	\$	746,444	\$	14,710,112	\$	1,925,053		\$	39,127	\$	1,76

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2011

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2011	ITO	Monthly C Amortization Credit	D	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
								(2)-(3)+(4)								
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	43,429,831 3,440,076 2,050,346 397,151	\$ \$	1,593,305 356,834 273,100 81,386	\$ \$	493,185 446,428 - -		42,329,711 3,529,671 1,777,247 315,765	\$	658,789 338,697 65,185 79,639	\$	14,527	\$ \$ \$ \$	152,553 9,777 8,867 1,361	\$ \$	5,414 454 234 41
Subtotal	\$	49,317,405	\$	2,304,625 .	\$	939,613	\$	47,952,393	\$	1,142,310	\$	14,527	\$	172,558	\$	6,144
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Total - 2006 Plan:	\$	49,317,405	\$	2,304,625	\$	939,613	\$	47,952,393	\$	1,142,310	\$	14,527	\$	172,558	\$	6,144
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	2,345,866 653,095	\$ \$ \$	2,345,866 653,095	\$ \$ \$	- - - -			\$ \$ \$ \$	: - -	\$ \$ \$ \$	97 707 151 33
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	-	\$	-	\$	12,882,815	s s	12,882,815	\$	-			\$		s s	989
Net Total - 2009 Plan:	S	-	\$	-	\$	12,882,815	1\$	12,882,815	\$	-	+		S		l s	989
A 1911	+		Ť		Ť	12,002,010	Ť	.=,0=3,010	Ť		T		Ť		Ť	,,,,
Net Total - All Plans;	\$	64,865,222	\$	3,888,775	\$	14,568,873	\$	75,545,320	\$	3,067,363	\$	14,527	\$	211,685	\$	8,899

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: November 30, 2011

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	117,896	996	1,087	\$ 1,756.68	\$ 26,482.87	\$ 865.13	
2012	62,379						
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						<u> </u>
2026	62,379						·
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031 - 2040	623,790						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of November 2011

	Beginning	Allocations/	Utilized	Utilized	2.11	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
			, ALL CLASSIFIC			1	
Quantity	123,960			0	0	117,896	
Dollars	\$ 1,847.04		\$ 90.36		\$	\$ 1,756.68	
\$/Allowance	\$ 0.01		\$ 0.01	-	\$ -	\$ 0.01	
ATTOCATED A	I I OWANCES ED	OM EPA: COAL I	711101				
Quantity	122,181		5,996		T -	116,185	
Dollars	\$ 1,797.83		\$ 89.34		\$ -	\$ 1,708.49	
Donais	1,191.03	-	Ψ 09.34	1	<del>  -</del>	1,700.49	
			1				1
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	RFUELS				
Quantity	1,779	-	68	-	-	1,711	
Dollars	\$ 49.21	- \$	\$ 1.02	\$ -	\$ -	\$ 48.19	
	FROM PURCHA	SES:					
From Market:							
Quantity	-	-		-		-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	-	\$ -	
From KU							
Quantity	-	-	-	_	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of November 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years				
- W	inventory	Turchases	(Coarruct)	(Other ruess)	Solu	niventory	bale bale to village Tears				
TOTAL EMISSIO	OTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS										
Quantity	1,087	0	0	. 0	0	1,087					
Dollars		\$ -	\$ -	\$ -	\$ -	\$ 865.13					
\$/Allowance	\$ 0.80	\$ -	\$ -	\$ -	\$ -	\$ 0.80					
	Tationalise										
ALLOCATED A	ALLOCATED ALLOWANCES FROM EPA: COAL FUEL										
Quantity	980	-	-	-	-	980					
Dollars	\$ 864.83	\$ -	\$ -	\$ -	\$ -	\$ 864.83					
:											
	LLOWANCES FRO	OM EPA: OTHER	FUELS								
Quantity	107	-	-	-	-	107					
Dollars	\$ 0.30	\$ -	\$ -	-	\$ -	\$ 0.30					
	<u></u>	L	<u> </u>	1	L						
A T A CONTAINED	ED ON C DATE OF LO										
	FROM PURCHAS	ES:	Υ								
From Market:	<del>                                     </del>	1 0			0	0					
Quantity Dollars	0										
	\$ - \$ -	\$ - \$ -	-	-	\$ - \$ -	\$ -					
\$/Allowance		\$ -		-	1\$ -	-					
From KU:	1	1	1	1	T	T					
Quantity	0	0	0	0	0	0					
Dollars	-	\$ -	\$ -		\$ -	-					
\$/Allowance	\$ - \$ -	\$ -	\$ -	S -	\$ -	\$ -   \$ -					
J/Allowalice		ΙΨ -	Ψ -	1.9 -		1 -					

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2011

***************************************	Beg	ginning	A	llocations/		Utilized		Utilized				Ending	Allocation, Purchase, or
		ventory	]	Purchases	(	Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALL		IN I		AL		ATI						
Quantity		1,835		500		1,337		2		0	L	996	
Dollars	\$	24,402.00		35,000.00		32,919.13		-	\$		\$		
\$/Allowance	\$	13.30	\$	70.00	\$	24.62	\$	-	\$	-	\$	26.59	
ALLOCATED AI	LOWA	NCES FRO	ме	PA: COAL F	UEL								
Quantity		1,732		-		1,337		-				895	Ending Inventory includes purchase from Market as shown
Dollars	\$	24,402.00	\$	-	\$	32,919.13	\$	-	\$	-	\$		below.
											Т		
ALLOCATED A	LLOWA	NCES FRO	M E	PA: OTHER	FUE	LS		2			Т-	101	
Dollars	\$	105	\$		\$		\$		\$		18		
Dollars	1 4		Ψ_		Ψ.		Ψ.		J.		۲		
ALLOWANCES From Market:	FROM	PURCHAS	ES:				<u> </u>				_ _		
Quantity	+	0	-	500	$\vdash$	0	├	0		0	╁	500	Purchased 500 2011 vintage NOx allowances from
Dollars	\$		s	35,000.00	10		\$		\$		-	\$ 35,000.00	the market - included in Ending Inventory-Coal Fuel
\$/Allowance	\$		\$	70.00			\$		\$			\$ 70.00	as shown above.
5/1410 Wallet	1 4		ļΨ	70.00	ΙΨ.		ļΨ		Ψ			70.00	as shown above.
From KU:	T				Т		T				Т		
Quantity		0	t	0	_	0	T	0		0	T		
Dollars	\$	-	\$		\$		\$	-	\$	-	1		
\$/Allowance	\$	-	\$	_	\$		\$	-	\$	_	$\top$		
					•								

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2011

Environmental Compliance Plan							
O&M Expenses		Amount					
11th Previous Month	\$	175,687					
10th Previous Month		100,889					
9th Previous Month		160,038					
8th Previous Month		150,155					
7th Previous Month		102,021					
6th Previous Month		148,079					
5th Previous Month		106,254					
4th Previous Month		170,289					
3rd Previous Month		270,125					
2nd Previous Month		174,545					
Previous Month		61,568					
Current Month		104,274					
Total 12 Month O&M	\$	1,723,924					

Determination of Working Cap	oital Allowar	nce	
12 Months O&M Expenses	\$		1,723,924
One Eighth (1/8) of 12 Month O&M Expenses		1/8	
Pollution Control Cash Working Capital Allowance	\$		215,491

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

O&M Expense Account	Cane Run	· Mill Creek	Trimble County	Total
2001 Plan				
506154 - ECR NOx Operation Consumables				_
506155 - ECR NOx Operation Consumations  506155 - ECR NOx Operation Labor and Other			<u> </u>	
512151 - ECR NOx Maintenance			<u> </u>	
Total 2001 Plan O&M Expenses		· · · · · · · · · · · · · · · · · · ·	-	
Total 2001 Flan Octivi Expenses				
2005 Plan				
502056-ECR Scrubber Operations			(37,080.26)	(37,080.26
512055-ECR Scrubber Maintenance			-	
Ashpond Dredging Expense		-	4	
Total 2005 Plan O&M Expenses			(37,080.26)	(37,080.26
2006 Plan			10.555.16	10.765.1
506159 - ECR Sorbent Injection Operation			10,765.16	10,765.1
506152 - ECR Sorbent Reactant - Reagent Only		-	22,988.27	22,988.2
512152 - ECR Sorbent Injection Maintenance		-	2,585.66	2,585.6
506150 - ECR Mercury Monitors Operation		-	2,297.38	2,297.3
512153 - ECR Mercury Monitors Maintenance		-	10 405 52	19,405,5
502056 - ECR Scrubber Operations	_		19,405.52 13,351.12	13,351.1
512055 - ECR Scrubber Maintenance			26,186.95	26,186.9
506154 - ECR NOx Operation - Consumables	_		645.25	645.2
506155 - ECR NOx Operation Labor and Other			1,017.42	1,017.4
512151 - ECR NOx Maintenance			846.37	846.3
506051 - ECR Precipitator Operation 506151 - ECR Activated Carbon			40,309.69	40,309.6
			955.54	955.5
512051 - ECR Precipitator Maintenance Total 2006 Plan O&M Expenses	\$ -		141,354.33	141,354.3
Total 2000 Flati Occivi Expenses	ΙΦ -	<u> </u>	141,334,33	141,334.3
2009 Plan				
502012 - ECR Landfill Operations	Т -		-	-
512105 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	-
Net 2009 Plan O&M Expenses	-			-
Current Month O&M Expense for All Plans	1\$ -		104,274.07	104,274.

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

	On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
	Little GODDI - LD Hill On 2000 DI - D L A		
	xisting CCP Disposal Facilities (Pre 2009 Plan Project)		
(1)	12 Months Ending with Expense Month	- \$	Ψ
(2)	Monthly Amount [(1) / 12]	- \$	\$ -
20	009 Plan Project		
(3)	Monthly Expense	\$ -	\$ -
To	otal Generating Station		· · · · · · · · · · · · · · · · · · ·
(4)	Monthly Expense [(2) + (3)]	\$ -	\$ -
Ba	ase Rates		
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6)	Monthly Expense Amount [(5) / 12]	\$	\$ -
(7) To	otal Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8)	Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
	If Line (8) Greater than Zero, No Adjustment		
	If Line (8) Less than Zero, Adjustment for Base Rates		
Adiustme	ent for Base Rate Amount (to ES Form 2.50)	-	1\$ -

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M
· .			
Total Monthly Ber	neficial Reuse Expense		\$ -
Total Monthly Bel	icriciai reuse Expense		Ψ -
Adjustment for Po	neficial Reuse in Base Rates (from ES Form 2.6	1)	\$ -
Net Beneficial Reu		1)	\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

ES FORM 3.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m)

For the Month Ended: November 30, 2011

			Kentucky Jurisd	lictional Revenues			Non- Jurisdictional Revenues	Total Compar	ny Revenues
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Month	Base Rate Revenues	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Surcharge Total Environmental Off-System		Total (6)+(8)	Total Excluding Environmental Surcharge  (9)-(5)	
Dec-10	65,013,096	2,253,831	1,167,812	26,808	68,461,547	68,434,739	13,561,291	82,022,838	81,996,030
Jan-11	76,121,173	3,138,445	1,766,317	146,568	81,172,503	81,025,935	18,303,562	99,476,065	99,329,497
Feb-11	63,590,360	2,158,942	1,409,347	819,108	67,977,757	67,158,649	13,880,982	81,858,739	81,039,631
Mar-11	64,963,148	676,641	1,295,997	742,383	67,678,169	66,935,786	13,374,699	81,052,868	80,310,485
Apr-11	59,828,935	1,740,517	830,283	874,121	63,273,856	62,399,735	9,742,182	73,016,038	72,141,917
May-11	62,768,571	1,969,596	851,874	666,380	66,256,422	65,590,042	9,952,934	76,209,356	75,542,976
Jun-11	79,699,769	4,437,519	1,415,042	1,206,179	86,758,510	85,552,331	7,170,418	93,928,928	92,722,749
Jul-11	86,246,494	4,806,290	1,627,342	1,362,039	94,042,165	92,680,126	8,276,729	102,318,894	100,956,855
Aug-11	99,019,080	4,591,621	1,891,554	272,788	105,775,043	105,502,255	7,222,945	112,997,988	112,725,200
Sep-11	83,107,600	2,677,626	1,499,239	165,369	87,449,834	87,284,465	12,412,938	99,862,772	99,697,403
Oct-11	64,191,015	1,950,880	958,522	127,590	67,228,008	67,100,418	14,051,649	81,279,657	81,152,067
Nov-11		2,340,079	126,855	868,435	60,681,094	59,812,659	13,174,028	73,855,122	72,986,687
for 12 Months End	ling Current Expense Mo					\$ 75,789,762			
		nrent Month (Environme Revenues Divided by Ex			n (7) / Column (10) =				81.95%
								es Brokered Sales, otal for Current Month =	\$ (121,507.24)

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: November 30, 2011

·	Revenues per	R	evenues per
	Form 3.00	Inco	me Statement
Kentucky Retail Revenues			
Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 57,345,726	\$	57,345,726
Fuel Adjustment Clause	\$ 2,340,079	\$	2,340,079
DSM	\$ 126,855	\$	126,855
Environmental Surcharge		\$	868,435
Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 59,812,659		
Non -Jurisdictional Revenues			
InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 13,174,028	\$	13,174,028
Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 13,174,028		
Total Company Revenues for Environmental Surcharge Purposes =	\$ 72,986,687		
Reconciling Revenues			
Brokered	\$ (121,507)	\$	(121,507)
InterSystem (Transmission Portion Booked in Account 447)		\$ .	· -
Unbilled		\$	4,859,516
Miscellaneous		\$	1,197,467
Total Company Revenues per Income Statement =		\$	79,790,597



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

RECEIVED

JAN 20 2012 PUBLIC SERVICE COMMISSION P.O. Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

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

Louisville Gas and

**Electric Company** 

State Regulation and Rates 220 West Main Street

January 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2011. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2010-00475, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after January 31, 2012.

Included with this filing are the projects approved in the 2011 ECR Plan in accordance with the Commission's December 15, 2011 Order in Case No. 2011-00162. Additionally, LG&E revised the ES Forms as approved by the Commission in its Order in the above-cited case. The changes to the allocation of the monthly revenue requirement will be implemented with the January 2012 expense month pending issuance of the Commission's Final Order in Case No. 2011-00232.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2011.

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

Sincerely,

Robert M. Conroy

Enclosures

RECEIVE 1183

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 11/1/2011-11/30/2011

INVOICE PERIOD: 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

ANA JAIONANIA

DEC 04 SOM

### PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	November November November November	40 24	\$240			\$15,315.63 \$9,600.00 \$6,760.00 \$0.00	
SUB TOTALS		114		\$28,360.00	\$2,315.63	\$30,675.63	787225523175500033
TOTAL FEES					• • •		\$28,360.00

TOTAL PERSONAL EXPENSES

OVERNIGHT MAIL

COPYING - Black/White

COPYING - Color

MISCELLANEOUS
Invoice Amount

\$30,675.63

\$2,315.63

\$0.00

\$0.00

\$0,00

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

12/12/11

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of December 2011

GROUP 1 (Total Revenue)		
Net Group $E(m) = Group E(m)$ less Expense Month Revenue		
Collected Through Base Rates ES Form 1.10, line 18	=	\$ 326,019
Group 1 ES Billing Factor ES Form 1.10, line 20	=	0.43%
GROUP 2 (Net Revenue)		
Net Group E(m) = Group E(m) less Expense Month Revenue  Collected Through Base Rates ES Form 1.10, line 18	=	\$ -
Group 2 ES Billing Factor ES Form 1.10, line 20	=	0.00%

Effective Date for Billing: February billing cycle beginning January 31, 2012

Submitted by:

Title: Director, Rates

Date Submitted: January 20, 2012

ES FORM 1.10

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of December 2011

### Calculation of Total E(m)

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

RB = Environmental Compliance Rate Base

ROR = Rate of Retum 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			
(1) RB	= \$	74,552,944	\$	1,090,517
(2) RB/12	= \$	6,212,745	\$	90,876
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	11.31%		10.84%
(4) OE	= \$	374,820	\$	66,958
(5) BAS	= \$	-		Not Applicable
(6) BR	= \$	-		Not Applicable
(7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	1,077,481	\$	76,809
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	\$	1,154,290		

Calculation of Adjusted Total Jurisdictional E(m)

- 1				1
	(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	81.15%
	(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=	\$ 936,706
	(11)	Prior Period Adjustment related to Rate Base or OE (if necessary)	=	\$ -
	(12)	Adjusted Total Jurisdictional E(m) [(10)+(11)]	==	936,706

Calculation of Group Environmental Surcharge Billing Factors

Group	Environmental Surcharge Billing Factors	GROU	GROUP 1 (Total Revenue)		JP 2 (Net Revenue)
(13)	Revenue as a Percentage of Total Revenue for Current Month ES Form 3.00	=	100%		0%
(14)	Group E(m) [(12) x (13)]	= \$	936,706	\$	-
(15)	Adjustment for (Over)/Under-collection pursuant to Case No.	= \$	-	\$	-
(16)	Prior Period Adjustment related to Revenue (if necessary)	= \$	-	\$	<del>.</del>
(17)	Revenue Collected through Base Rates	= \$	610,687	\$	-
(18)	Net Group E(m) = Group E(m) less Expense Month Revenue Collected Through Base Rates $[(14) + (15) + (16) - (17)]$	= \$	326,019	\$	-
(19)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	75,619,349	\$	
(20)	Group Environmental Surcharge Billing Factors [(18) ÷ (19)]	=	0.43%		0.00%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Determination of Environmental Compliance Rate Base

Determination of Environmental Compliance Rate Base									
	Pre	Pre-2011 Enviromental Compliance Plans			s 2011 Environmental C			npliance Plan	
Eligible Pollution Control Plant	\$	74,459,50	69			\$	-		
Eligible Pollution CWIP Excluding AFUDC		7,351,68	85				1,083,949		
Subtotal				\$	81,811,254			\$	1,083,949
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		80	55						
Cash Working Capital Allowance		209,83	39				6,568		
Subtotal					210,704				6,568
Deductions:									
Accumulated Depreciation on Eligible Pollution Control Plant		4,115,93	32						
Pollution Control Deferred Income Taxes		3,353,08	32				-		
Subtotal					7,469,014				-
Environmental Compliance Rate Base				\$	74,552,944			\$	1,090,517

**Determination of Pollution Control Operating Expenses** 

	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,472	\$ 52,540
Monthly Depreciation & Amortization Expense	221,904	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	8,899	-
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	28,072	
Monthly Surcharge Consulting Fees		14,418
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 374,820	\$ 66,958

Determination of Beneficial Reuse Operating Expenses

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

Plant, CWIP & Depreciation Expense

For the Month Ended: December 31, 2011

Troject II - Special Waste Landfill Expansion at Mill Creek  \$ 4,818,430 \$ 474,615 \$ 2,669 \$ 4,346,348 \$ 5,632,968 \$ \$ 10,067 \$ 444  reject II - Special Waste Landfill Expansion at Cane Rum Unit 6 \$ 80,100 \$ 122,932 \$ -	(1)	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100   100	Description .	Plant In		Accumulated	-	Amount Excluding		Plant In	-	Tax Balance as of	ITO	C Amortization	D	epreciation	F	roperty Tax
Troject II - Special Waste Landfill Expansion at Mill Creek  \$ 4,818,430 \$ 474,615 \$ 2,669 \$ 4,346,348 \$ 5,632,968 \$ \$ 10,067 \$ 444  reject II - Special Waste Landfill Expansion at Cane Rum Unit 6 \$ 80,100 \$ 122,932 \$ -			T					(2)-(3)+(4)								
Troject II - Special Waste Landfill Expansion at Mill Creek  \$ 4,818,430 \$ 474,615 \$ 2,669 \$ 4,346,348 \$ 5,632,968 \$ \$ 10,067 \$ 444  reject II - Special Waste Landfill Expansion at Cane Rum Unit 6 \$ 80,100 \$ 122,932 \$ -			T													
Project 12 - Special West Eardfill Expansion at Cane Run Station   S   4,730,568   S   421,728   S   860,877   S   5,169,738   S   347,206   S   8,397   S   622	2005 Plan:															
Twiger L13 - Sembber Refurbishment at Trimble County Unit 1										/			-		-	
Traject   1- Scrubber Refurbishment at Cane Run Unit 6   S 308,507   S 58,561   S - S 249,946   S 20,276   S 1,147   S 33 reject   1- Scrubber Refurbishment at Cane Run Unit 5   S - S - S - S - S - S - S - S - S - S						860,897							-		-	
National   Service   Refurbishment at Cane Run Unit 5   S		,				-		,				i	-			
Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal   Subtotal			- 1			-		249,946		20,276			-	1,147		33
Substati Less Retirements and Replacement resulting from implementation of 2005 Plan:  \$ 18,068,683 \$ 2,297,862 \$ 863,567 \$ 16,334,388 \$ 2,391,792 \$ \$ 44,380 \$ \$ 1,961 grown implementation of 2005 Plan:  \$ (2,520,865) \$ (969,332) \$ - \$ (1,551,534) \$ (384,695) \$ \$ (5,253) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527) \$ (194,527		7	1 ~		-	-	-	-	-	-			Ψ.	-	Ψ	-
See Retirements and Replacement resulting from implementation of 2005 Plan:   S	Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 7,361,0	77   \$	1,520,026	\$	-	\$	5,841,052	\$	1,283,684			\$	22,206	\$	763
S	Subtotal	\$ 18,068,68	83 \$	2,597,862	\$	863,567	\$	16,334,388	\$	2,391,792			\$	44,380	\$	1,961
Net Total - 2005 Plan:    S	Less Retirements and Replacement resulting		1		1											
## Project 18 - TC2 AQCS Equipment Project 18 - TC2 AQCS Equipment Project 18 - TC2 AQCS Equipment \$	from implementation of 2005 Plan	\$ (2,520,8)	65) \$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Project 18 - TC2 AQCS Equipment	Net Total - 2005 Plan:	\$ 15,547,8	17 \$	1,628,530	\$	863,567	\$	14,782,854	\$	2,007,097			\$	39,127	\$	1,767
Project 18 - TC2 AQCS Equipment					T											
Project 19 - Sorbent Injection Project 19 - Sorbent Injection Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors  S	2006 Plan:				1				1							
Project 19 - Sorbent Injection Project 20 - Mercury Monitors \$ 3,440,076 \$ 366,611 \$ - \$ 3,073,466 \$ 347,230 \$ \$ 9,777 \$ 454 Project 20 - Mercury Monitors \$ 2,050,346 \$ 2,81,967 \$ - \$ 1,768,380 \$ 66,545 \$ 8,867 \$ 2,244 Project 21 - Mill Creek Opacity and Particulate Monitors  Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  2009 Plan:  Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985	Project 18 - TC2 AQCS Equipment	\$ 43,429,8	31   \$	1,745,858	\$	736,701	\$	42,420,674	\$	716,195	\$	14,527	\$	152,553	\$	5,414
Project 21 - Mill Creek Opacity and Particulate Monitors  \$ 2,050,346 \$ 281,967 \$ - \$ 1,768,380 \$ 66,545 \$ 8,867 \$ 224   Project 21 - Mill Creek Opacity and Particulate Monitors  \$ 397,151 \$ 82,747 \$ - \$ 314,404 \$ 80,034 \$ 14,527 \$ 1,768,181 \$ 41, 141   Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144   Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144   Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144   Less Retirements and Replacement resulting Froject 22 - Cane Run CCP Storage (Landfill - Phase I)  \$ 9,594,347 \$ 10,219 \$ 1,442,091 \$ 1,442,091 \$ 1,442,091 \$ 135,982 \$ 10,219 \$ 707    Project 23 - Trimble County CPP Storage (Landfill - Phase I)  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985    Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 5,751,418 \$ 10,219 \$ 10,219 \$ 10,219 \$ 10,219 \$ 10,219 \$ 10,219 \$		\$ 3,440,0	76   \$	366,611	\$	-	\$	3,073,466	\$	347,230			\$	9,777	\$	454
Project 21 - Mill Creek Opacity and Particulate Monitors  \$ 397,151 \$ 82,747 \$ - \$ 314,404 \$ 80,034 \$ \$ 1,361 \$ 41  Subtotal  Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  Less Retirements and Replacement resulting from implementation of 2006 Plan  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  2009 Plan:  Project 22 - Cane Run CCP Storage (Landfill - Phase I)  Project 22 - Trimble County Ash Treatment Basin (BAP/GSP)  Project 23 - Trimble County CCP Storage (Landfill - Phase I)  Project 24 - Trimble County CCP Storage (Landfill - Phase I)  S 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 700  Project 25 - Beneficial Reuse  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985		\$ 2,050,3	46 S	281,967	s	-	\$	1,768,380	\$	66,545			\$	8,867	\$	234
Less Retirements and Replacement resulting from implementation of 2000 Plan:  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  2009 Plan:  Project 22 - Cane Run CCP Storage (Landfill - Phase I)  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)  \$ 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 24 - Trimble County CCP Storage (Landfill - Phase I)  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985	Project 21 - Mill Creek Opacity and Particulate Monitors					-	\$			80,034			\$	1,361	\$	41
Less Retirements and Replacement resulting from implementation of 2000 Plan:  \$ 49,317,405 \$ 2,477,183 \$ 736,701 \$ 47,576,923 \$ 1,210,003 \$ 14,527 \$ 172,558 \$ 6,144  2009 Plan:  Project 22 - Cane Run CCP Storage (Landfill - Phase I)  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)  \$ 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 24 - Trimble County CCP Storage (Landfill - Phase I)  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985					1		_	12 525 000	<u> </u>	1 010 000	_	14 505	_	150 550		(144
from implementation of 2006 Plan		\$ 49,317,4	05   8	2,477,183	\$	736,701	\$	47,576,923	18	1,210,003	\$	14,527	\$	172,558	2	6,144
Net Total - 2006 Plan:    S		1.	Ι.	_			١.		١.		١.		_		١.	i
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) S - S - S 1,442,091 S 1,442,091 S - S 9,794,347 S 10,219 S - S 9,584,128 S 135,982 S 10,219 S 707 Project 24 - Trimble County CCP Storage (Landfill - Phase I) S - S - S 3,203,930 S 3,203,930 S - S - S 151 Project 25 - Beneficial Reuse Subtotal S 9,594,347 S 10,219 S 5,751,418 S 15,335,546 S 135,982 S 10,219 S 985 Less Retirements and Replacement resulting from implementation of 2009 Plan S 9,594,347 S 10,219 S 5,751,418 S 15,335,546 S 135,982 S 10,219 S 985  Net Total - 2009 Plan: S 9,594,347 S 10,219 S 5,751,418 S 15,335,546 S 135,982 S 10,219 S 985	from implementation of 2006 Plan	\$ -	3	-	\$	-	\$	-	8	-	\$	-	3	-	\$	-
Project 22 - Cane Run CCP Storage (Landfill - Phase I)  \$ - \$ - \$ 1,442,091 \$ 1,442,091 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)  \$ 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 25 - Beneficial Reuse  \$ - \$ - \$ 3,203,930 \$ 3,203,930 \$ - \$ 5 151  Project 25 - Beneficial Reuse  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985	Net Total - 2006 Plan:	\$ 49,317,4	05 \$	\$ 2,477,183	\$	736,701	\$	47,576,923	\$	1,210,003	\$	14,527	\$	172,558	\$	6,144
Project 22 - Cane Run CCP Storage (Landfill - Phase I)  \$ - \$ - \$ 1,442,091 \$ 1,442,091 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)  \$ 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707  Project 25 - Beneficial Reuse  \$ - \$ - \$ 3,203,930 \$ 3,203,930 \$ - \$ 5 151  Project 25 - Beneficial Reuse  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Net Total - 2009 Plan:  \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985					T		Γ		Τ							
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) \$ 9,594,347 \$ 10,219 \$ - \$ 9,584,128 \$ 135,982 \$ 10,219 \$ 707 Project 24 - Trimble County CCP Storage (Landfill - Phase 1) \$ - \$ 3,203,930 \$ 3,203,930 \$ - \$ 5 - \$ 151 Project 25 - Beneficial Reuse \$ - \$ 1,105,397 \$ 1,105,397 \$ 1,105,397 \$ - \$ 135,982 \$ 10,219 \$ 985 Less Retirements and Replacement resulting from implementation of 2009 Plan \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		1.			1		١.		١.		1		١.		١.	
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)		1 *	- 1 -	•	1 -	1,442,091				-	1		\$	-	\$	
Project 25 - Beneficial Reuse		1 ' '				-	1 -			135,982	1		1 -	10,219	1	
Subtotal \$ 9,594,347 \$ 10,219 \$ 5,751,418 \$ 15,335,546 \$ 135,982 \$ 10,219 \$ 985  Less Retirements and Replacement resulting from implementation of 2009 Plan \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		1 -	1 1	*						-	1		\$	-	1 -	
Less Retirements and Replacement resulting from implementation of 2009 Plan \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	Project 25 - Beneficial Reuse	\$ -	-   9	\$ -	\$	1,105,397	\$	1,105,397	\$	-			\$	-	\$	33
Less Retirements and Replacement resulting from implementation of 2009 Plan \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	Subtotal	\$ 9,594,3	47	\$ 10,219	\$	5,751,418	\$	15,335,546	\$	135,982	H		\$	10,219	\$	989
from implementation of 2009 Plan         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         <		,,,,,		,	1	, , ,		, ,		,				-	1	
		\$	- :	s -	\$	-	\$	-	\$	-			\$	-	\$	-
	Net Total - 2009 Plan	\$ 95943	347	\$ 10219	1 \$	5 751 418	I s	15 335 546	15	135 982	-		I s	10.219	T\$	989
Subtotal - Pre-2011 Plans: \$ 74,459,569 \$ 4,115,932 \$ 7,351,685 \$ 77,695,323 \$ 3,353,082 \$ 14,527 \$ 221,904 \$ 8,899	The Local Book Field,	7,574,5		- 10,217	+	5,151,410	+	15,555,510	╅	100,702	T				Ť	
	Subtotal - Pre-2011 Plans:	\$ 74,459,5	569	\$ 4,115,932	\$	7,351,685	\$	77,695,323	\$	3,353,082	\$	14,527	\$	221,904	\$	8,899
									I							

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	Plant In Accumulated		CWIP Eligible Net Amount Plant In Excluding Service AFUDC		Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ \$ -	s - s -	\$ 1,077,936 \$ 6,013	\$ 6,013	s -		\$ - \$ -	s - s -	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	s - s -	s - s -	\$ 1,083,949	\$ 1,083,949 \$ -	\$ - \$ -		\$ - \$ -	\$ - \$ -	
Net Total - 2011 Plan:	-	s -	\$ 1,083,949	\$ 1,083,949	-	\$ -	\$ -	\$ -	
Net Total - All Plans:	\$ 74,459,569	\$ 4,115,932	\$ 8,435,634	\$ 78,779,272	\$ 3,353,082	\$ 14,527	\$ 221,904	\$ 8,899	

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

Inventory of Emission Allowances

For the Month Ended: December 31, 2011

Vintage Year	Nui	mber of Allowan	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	, NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	110,505	-	1,087	\$ 1,646.54	\$ -	\$ 865.13	
2012	62,379						
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029 .	62,379						
2030	62,379						
2031 - 2040	623,790						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of December 2011

	Beginning	. Allocations/	Utilized	Utilized			Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISS	ON ALLOWANCES	IN INVENTORY		ATIONS				
Quantity	117,896	0	7,391	0		0	110,505	
Dollars	\$ 1,756.68		\$ 110.14		\$	-	\$ 1,646.54	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$	-	\$ 0.01	
	LLOWANCES FRO	M EPA: COAL F						Y
Quantity	116,185	-	7,337		ļ		108,848	
Dollars	\$ 1,708.49	\$ -	\$ 109.32	\$ -	\$	-	\$ 1,599.17	
		l	L	L			L	
ATTOCATED	T T OWN NOTE THE	M ED A OFFICE	THE C					
	LLOWANCES FRO	T					T	
Quantity	1,711	-	54				1,657	
Dollars	\$ 48.19	\$ -	\$ 0.82	\$ -	\$		\$ 47.37	
			<u> </u>					
ATT OWN ANCE	FROM PURCHAS	EC-						
From Market:	FROM PURCHAS	ES:	<del></del>	<del></del>	· · · · · · · · · · · · · · · · · · ·		T	
			<del> </del>		-			
Quantity Dollars	- S -	<u>-</u>	-	-	+	-	-	
\$/Allowance	+ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$	-	\$ -   \$ -	
D/AHOWANCE			-	-	\$		\$ -	
From KU	···	T	T	1			T	T
Quantity				_				
Dollars	\$ -	\$ -	\$ -	\$ -	\$		\$ -	
\$/Allowance	Φ.	\$ -	1 .	1.	\$			
D/Allowance	12 -	<u> </u>	\$ -	-	1 4		-	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

### For the Expense Month of December 2011

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIC		S IN INVENTORY					
Quantity	1,087	0	0	0	0	1,087	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.80		\$ -	\$ -	\$ -	\$ 0.80	
ALLOCATED AI		OM EPA: COAL F	UEL				
Quantity	980	-	-	-	-	980	
Dollars	\$ 864.83	\$ -	\$ -	\$ -	\$ -	\$ 864.83	
Quantity	107	OM EPA: OTHER	_	-	-	107	
Dollars	\$ 0.30	\$ -	\$ -	\$ -	\$ -	\$ 0.30	
ALLOWANCES :	FROM PURCHAS	ES:					
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
From KU:							
Quantity	0	0	0	0	0	0	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dollars \$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of December 2011

	Beginning Inventory		Allocations/ Purchases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO		CES	IN INVENTORY,								
Quantity		996	450		46	0		0		0	
Dollars	\$ 26,482						\$		\$		
\$/Allowance		.59			41 \$		\$	_	\$		
ALLOCATED A	LLOWANCES	FROM	M EPA: COAL F								
Quantity		895	52	1,4	146	-				0	Ending Inventory includes purchase from KU as shown
Dollars	\$ 26,482	.87	\$ (911.17)	\$ 28,071	.70	-	\$	-	\$	-	below; 98 inter-plant transfers; and (46) surrender true-up
											allowances.
Quantity Dollars		101	M EPA: OTHER (101) \$ -		- 5	- -	\$	-	\$	0	Allocations/Purchases includes (98) inter-plant transfers and (3) surrender true-up allowances.
	<u></u>			<u> </u>			l		L		
ALLOWANCES	FROM PURC	HASE	s:				· ·		Ι		
From Market:	FROM PURC		S: 0		0			0		0	Brokerage fee related to Nov11 allowance purchase.
From Market: Quantity		0	0	\$	0	0	\$	0	s	0	Brokerage fee related to Nov11 allowance purchase.
From Market: Quantity Dollars	FROM PURC	0	0	-	- !		\$		\$		Brokerage fee related to Nov11 allowance purchase.
From Market: Quantity Dollars	\$	0	0 \$ 2,500.00		- !	\$ -			-	_	Brokerage fee related to Nov11 allowance purchase.
From Market: Quantity Dollars \$/Allowance	\$	0	0 \$ 2,500.00		- !	\$ -			-	_	Brokerage fee related to Nov11 allowance purchase.
From Market: Quantity Dollars \$/Allowance	\$	0	0 \$ 2,500.00		- !	\$ -			\$	_	Brokerage fee related to Nov11 allowance purchase.  Purchased 499 allowances from KU - included in
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity Dollars	\$	0 0	0 \$ 2,500.00 \$ -		- :	\$ - \$ -		-	\$	_	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2011

En	vironmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 100,889	\$ -
10th Previous Month	160,038	
9th Previous Month	150,155	
8th Previous Month	102,021	
7th Previous Month	148,079	
6th Previous Month	106,254	
5th Previous Month	170,289	
4th Previous Month	270,125	
3rd Previous Month	174,545	
2nd Previous Month	61,568	
Previous Month	104,274	
Current Month	130,472	52,540
Total 12 Month O&M	\$ 1,678,709	\$ 52,540

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,678,709	\$		52,540					
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	209,839	\$		6,568					

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

O&M Expense Account	Cane Run		Mill Creek	Trimble County	Total
O&M Expense Account	Calle Kull		Will Creek	Timiole County	Total
2005 Plan					
502056-ECR Scrubber Operations				33,300.30	33,300,30
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses				33,300.30	33,300.30
2006 Plan				007.40	007.40
506159 - ECR Sorbent Injection Operation			-	987.40	987.40
506152 - ECR Sorbent Reactant - Reagent Only				12,191.05	12,191.05
512152 - ECR Sorbent Injection Maintenance	210	(7)	051.06	43,16 3,136,18	43.16 4.305.81
506150 - ECR Mercury Monitors Operation	317	.67	851.96	3,136.18	4,305.81
512153 - ECR Mercury Monitors Maintenance		-	-	18,376,36	18,376,36
502056 - ECR Scrubber Operations				8,573.27	8,573.27
512055 - ECR Scrubber Maintenance				21,328.60	21,328.60
506154 - ECR NOx Operation Consumables 506155 - ECR NOx Operation Labor and Other			~	939.28	939.28
512151 - ECR NOx Maintenance			_	2,886,27	2,886.27
506051 - ECR Precipitator Operation				881.64	881.64
506151 - ECR Activated Carbon				25,944.69	25,944.69
512051 - ECR Precipitator Maintenance				713.71	713.71
Total 2006 Plan O&M Expenses	\$ 317	167	851.96	96,001.61	97,171,24
Total 2000 Flail Octivi Expelises	317	.07	031.70	70,001.01	71,111.24
2009 Plan					
502012 - ECR Landfill Operations		_		- 1	-
512105 - ECR Landfill Maintenance		_			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		_	~-	-	-
Net 2009 Plan O&M Expenses		-		-	-
Subtotal - Pre-2011 Plans	31	7.67	851.96	129,301.91	130,471.54
2011 Plan					
502056 - ECR Scrubber Operations			-		-
512055 - ECR Scrubber Maintenance			-	2 (50 25	2.652.0
506159 - ECR Sorbent Injection Operation			-	3,679.25	3,679.2
506152 - ECR Sorbent Reactant - Reagent Only			-	48,067.47	48,067.4
512152 - ECR Sorbent Injection Maintenance				793.13	793.1
506156 - ECR Baghouse Operations			-	-	-
512156 - ECR Baghouse Maintenance			-	-	-
506151 - ECR Activated Carbon			-	-	-
Adjustment for Base Rates Baseline Amounts			-	52 520 05	50 500 0
Total 2011 Plan O&M Expenses			- 1	52,539.85	52,539.8
Current Month O&M Expense for All Plans	I © 21	7.67   \$	851.96 [	\$ 181,841.76	\$ 183,011,3
Current Month Octivi Expense for All Plans	31	1.01 3	821.96	a 101,041./0	a 165,011.3

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

Third Party	O&M Expense Account	Plant	Total O&M					
		A						
Total Monthly Be	Total Monthly Beneficial Reuse Expense							
	·							
	eneficial Reuse in Base Rates (from ES Form 2.6	51)	\$ -					
Net Beneficial Re	use O&M Expense		\$ -					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

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

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

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	53,670,168	22,451,005	3,138,445	1,766,317	146,568	\$ 81,172,503	\$	81,025,935					
Feb-11	45,506,117	18,084,243	2,158,942	1,409,347	819,108	\$ 67,977,757	\$	67,158,649					
Mar-11	46,128,576	18,834,571	676,641	1,295,997	742,383		\$	66,935,786					
Apr-11	42,787,952	17,040,984	1,740,517	830,283	874,121	\$ 63,273,856	\$	62,399,735					
May-11	45,254,113	17,514,458	1,969,596	851,874	666,380	\$ 66,256,422	\$	65,590,042					
Jun-11	57,215,197	22,484,573	4,437,519	1,415,042	1,206,179	\$ 86,758,510	\$	85,552,331					
Jul-11	60,671,982	25,574,512	4,806,290	1,627,342	1,362,039	\$ 94,042,165	\$	92,680,126					
Aug-11	69,075,343	29,943,737	4,591,621	1,891,554	272,788	\$ 105,775,043	\$	105,502,255					
Sep-11	58,381,866	24,725,734	2,677,626	1,499,239	165,369	\$ 87,449,834	\$	87,284,465					
Oct-11	44,735,180	19,455,835	1,950,880	958,522	127,590	\$ 67,228,008	\$	67,100,417					
Nov-11	40,224,157	17,121,568	2,340,079	868,435	126,855	\$ 60,681,094	\$	60,554,239					
Dec-11	43,779,161	18,883,068	1,944,684	1,041,293	168,884	\$ 65,817,090	\$	65,648,200					
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.													
		Environmental Surcharge		n 3.10 =			\$	65,648,200					
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for Current N	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	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM						
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)						
Jan-11						\$ -	\$ -	\$ -						
Feb-11						\$ -	s -	\$ -						
Mar-11						\$ -	\$ -	\$ -						
Apr-11						\$ -	\$ -	\$ -						
May-11						\$ -	\$ -	\$ -						
Jun-11						\$ -	\$ -	\$ -						
Jul-11						\$ -	\$ -	\$ -						
Aug-11						s -	-	\$ -						
Sep-11						\$ -	\$ -	\$ -						
Oct-11						<u>s</u> -	\$ -	\$ -						
Nov-11						<u>s</u>		-						
Dec-11	1 1 d 1 1 2		10 1 10 1			\$ -	\$ -	-						
for 12 Months Endi	ng Current Expense Mo							s -						
Total Kentucky Juri	sdictional Revenues for	Environmental Surcharg	ge Purposes from ES For	m 3.10 =			\$ 65,648,206							
GROUP 2 Revenue	s as a Percentage of Tot	al Revenues for Current	Month				0.00%							

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2011

		Revenues per	R	evenues per
·		Form 3.00		ome Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,662,230	\$	62,662,230
(2) Fuel Adjustment Clause	\$	1,944,684	\$	1,944,684
(3) DSM	- \$	1,041,293	\$	1,041,293
(4) Environmental Surcharge			\$	168,884
(5) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	65,648,206		
Non -Jurisdictional Revenues				
(6) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	15,251,618	\$	15,251,618
(7) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	15,251,618		
(8) Total Company Revenues for Environmental Surcharge Purposes =	\$	80,899,824		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		81.15%		
Reconciling Revenues	<del> </del>		_	
(8) Brokered	\$		\$	-
(9) InterSystem (Transmission Portion Booked in Account 447)			\$	-
(10) Unbilled			\$	2,742,668
(11) Miscellaneous			\$	990,580
(12) Total Company Revenues per Income Statement =			\$	84,801,955



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

RECEIVED

FFR 1 7 2012

PUBLIC SERVICE COMMISSION

February 17, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after February 29, 2012.

Included with this filing is the implementation of the changes to the allocation of the monthly revenue requirement approved by the Commission's Final Order dated January 31, 2012 in Case No. 2011-00232. Please note that some changes have been made to ES Form 1.10, with conforming changes to ES Forms 1.00 and 3.00. LG&E is requesting a technical conference with Commission Staff on Wednesday, February 22, 2012, to explain these changes.

Through the process of implementing the changes approved by the Commission in the 2011 ECR Plan and in Case No. 2011-00232, it has come to my attention that the Curtailable Service Rider ("CSR) Credits have inadvertently been included in the revenues reported on ES Forms 3.00 and 3.10. Therefore, the revenues shown on ES Form 3.00 have been revised from the previously filed amounts to reflect the removal of the CSR Credits. Also, the CSR Credits have been added to ES Form 3.10 to correct this issue in future filings. Since the revenues are used to calculate the monthly billing factor but not the monthly revenue requirement, the impact of the inclusion of CSR Credits would be trued-up in the six-month and two-year review process.

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

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in January 2012.

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

Sincerely,

Robert M. Conroy

Enclosures

Dennis G. Howard II Lawrence W. Cook Office of the Attorney General Office of Rate Intervention 1024 Capital Center Drive, Suite 200 Frankfort, KY 40601-8204

Michael L. Kurtz Kurt J. Boehm Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, OH 45202

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID #. 27-2585037

**INVOICE DATE:** 

1/4/2011

**INVOICE #:** 

20111206 12/1/2011-12/31/2011

**INVOICE PERIOD:** 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	RATE	FEES	EXPENSES	AMOUNT	IOIALS
Walt Drabinski Chuck Buechel Mike Boismenu Mark Fowler	December December December December	6 1	\$260 \$240 \$240 \$240	\$240.00		\$2,080.00 \$1,440.00 \$240.00 \$0.00	V.
SUB TOTALS		15		\$3,760.00	\$0.00	\$3,760.00	
TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/M COPYING - Color			<i>:</i>	·		,	\$3,760.00 \$0.00 \$0.00 \$0.00 \$0.00
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

Kentucky Invoice 20111206, 1/16/2012

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of January 2012

### GROUP 1 (Total Revenue)

Group 1 E(m) ES Form 1.10, line 16	=	\$ 211,980
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.67%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 291,177
Group 2 ES Billing Factor ES Form 1.10, line 18	=	1.02%

Effective Date for Billing: March billing cycle beginning February 29, 2012

Title: Director, Rates

Date Submitted: February 17, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of January 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	=	\$	74,898,464	\$	1,282,783
2) RB/12	=	\$	6,241,539	\$	106,899
(ROR + (ROR - DR) (TR / (1 - TR)))	=		10.82%		10.37%
4) OE	=	\$	366,668	\$	<b>55,</b> 910
5) BAS	==	\$	-		Not Applicable
5) BR	=	\$	•		Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$	1,042,002	\$	66,996
3) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)		\$	1,108,998		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	85.04%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	943,092
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2011-00232	= \$	241,530
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	681,464
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	503,158

Calculation of Group Environmental Surcharge Billing Factors

Group	Environmental Surcharge Billing Factors				
		GROU	GROUP 1 (Total Revenue)		UP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.13%		57.87%
(16)	Group E(m) [(14) x (15)]	= \$	211,980	\$	291,177
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	31,682,177	\$	28,684,742
(18)	Group Environmental Surcharge Billing Factors [(16) + (17)]	=	0.67%		1,02%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2012

Determination of Environmental Compliance Rate Base

	Pre	Pre-2011 Enviromental Compliance Plans			2011 Enviromental Comp			pliance Plan
Eligible Pollution Control Plant	\$	74,459,569			\$	-		
Eligible Pollution CWIP Excluding AFUDC		8,035,659			1,26	9,464		
Subtotal			\$	82,495,228			\$	1,269,464
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		18,355						
Cash Working Capital Allowance		214,428			1	3,319		
Subtotal				232,783				13,319
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		4,353,308				-		
Pollution Control Deferred Income Taxes		3,476,239				-		
Subtotal				7,829,547				
Environmental Compliance Rate Base			\$	74,898,464			\$.	1,282,783

**Determination of Pollution Control Operating Expenses** 

	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 137,600	\$ 54,008
Monthly Depreciation & Amortization Expense	232,123	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,760	
Monthly Surcharge Consulting Fees		1,767
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 366,668	\$ 55,910

Determination of Beneficial Reuse Operating Expenses

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

Proceeds From By-Product and Allowance Sales

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

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 1/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$ 850,100 \$ 308,507	\$ 430,125 \$ 125,497 \$ 59,708	\$ 864,497 \$ - \$ -	\$ 4,336,417 \$ 5,164,941 \$ 724,604 \$ 248,799	\$ 352,249 \$ 109,613		\$ 10,067 \$ 8,397 \$ 2,564 \$ 1,147	\$ 544 \$ 646 \$ 91 \$ 31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ - \$ 7,361,077	\$ - \$ 1,542,231	s - s -	\$ - \$ 5,818,846	\$ 1,299,962		\$ 22,206	\$ 730
Subtotal Less Retirements and Replacement resulting	\$ 18,068,683 \$ (2,520,865)			\$ 16,293,607 \$ (1,551,534)			\$ 44,380 \$ (5,253)	
from implementation of 2005 Plan								
Net Total - 2005 Plan:	\$ 15,547,817	\$ 1,672,910	\$ 867,167	\$ 14,742,073	\$ 2,033,313		\$ 39,127	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 43,429,831 \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 376,387 \$ 290,834	s - s -	\$ 42,303,607 \$ 3,063,689 \$ 1,759,513 \$ 313,043	\$ 355,554 \$ 67,594	\$ 14,527	\$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221 \$ 39
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 49,317,405 \$ -	\$ 2,649,740 \$ -	\$ 772,187 \$ -	\$ 47,439,852 \$ -	\$ 1,292,431 \$ -	\$ 14,527 \$ -	\$ 172,558 \$ -	\$ 5,947 \$ -
Net Total - 2006 Plan:	\$ 49,317,405	\$ 2,649,740	\$ 772,187	\$ 47,439,852	\$ 1,292,431	\$ 14,527	\$ 172,558	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	s -	\$ 1,450,965	\$\\ \\$\\ \\$\\ \\$\\ \\$\\ \\$\\ \\$\\ \\$\\	\$ 150,494 \$ -		\$ - \$ 20,438 \$ - \$ -	\$ 180 \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 30,657	\$ 6,396,305	\$ 15,959,995	\$ . 150,494 \$ -		\$ 20,438	\$ 1,917
Net Total - 2009 Plan: -	\$ 9,594,347	\$ 30,657	7 \$ 6,396,30	5 \$ 15,959,995	5 \$ 150,494		\$ 20,438	3 \$ 1,917
Subtotal - Pre-2011 Plans:	\$ 74,459,569	\$ 4,353,308	8 8,035,659	9 \$ 78,141,92	\$ 3,476,239	\$ 14,527	7 \$ 232,123	3 \$ 9,712

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2012

(1)	(2)	(3)	(4)	(5)		(6)	(7)		(8)		(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2012	Monthly Amortization Credit	D	Monthly epreciation Expense	Pr	Monthly operty Tax Expense
				(2)-(3)+(4)							
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - -	\$ -	\$ 1,242,309 27,155	1,242,309 27,155		- -		\$	:	\$	135 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$ 1,269,464	\$ 1,269,464	\$ \$.		•	\$	-	\$	135
Net Total - 2011 Plan:	\$ -	\$ -	\$ 1,269,464	\$ 1,269,464	\$	-	\$ 	\$	-	\$	135
Net Total - All Plans:	\$ 74,459,569	\$ 4,353,308	\$ 9,305,123	\$ 79,411,384	\$	3,476,239	\$ 14,527	\$	232,123	\$	9,848

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

Inventory of Emission Allowances

For the Month Ended: January 31, 2012

Vintage Year	Nur	mber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	166,024	13,091	7,299	\$ 1,581.21	\$ 17,490.40	\$ 865.13	
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379				· ·		
2029	62,379						
2030	62,379			•			
2031	62,379						
2032 - 2040	561,411						

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of January 2012

	Beginning Inventory		cations/ chases	Utilized (Coal Fuel)		Utilized (Other Fuels)	S	old	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANC	ES IN INV	ENTORY	, ALL CLASSIFI	CATIO	NS				
Quantity	172,88	1	0	6,860		0		0	166,024	
Dollars	\$ 1,646.5	1 \$	-	\$ 65.33	\$	-	\$	-	\$ 1,581.21	
Allowance	\$ 0.0	1 \$	-	\$ 0.01	\$	_	\$	**	\$ 0.01	
ALLOCATED A	LLOWANCES F	ROM EPA	: COAL F	UEL						
Quantity	168,81	4	22	6,763				-	162,073	Beginning Inventory includes 59,966 2012 vintage allowances;
Dollars	\$ 1,599.1	7 \$	0.21	\$ 64.40	\$	-	\$	-	\$ 1,534.98	transferred 22 allowances from TC CTs to TC1
ALLOCATED A	LLOWANCES F	ROM EPA	: OTHER	FUELS						
ALLOCATED A	LLOWANCES F	ROM EPA	: OTHER	FUELS						
Quantity	4,07	0	(22)	97				-		Beginning Inventory includes 2,413 2012 vintage allowances;
Quantity	4,07			97		-	\$	-	\$ 3,951 46.23	Beginning Inventory includes 2,413 2012 vintage allowances; transferred 22 allowances from TC CTs to TC1
Quantity Dollars  ALLOWANCES	\$ 47.3	7 \$	(22)	97			\$		\$	
Quantity Dollars  ALLOWANCES From Market;	\$ 47.3	7 \$	(22)	97			\$		\$	
Quantity Dollars  ALLOWANCES from Market; Quantity	\$ 47.3	7 \$	(22) (0.21)	97			\$	-	\$ 46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 47.3	0   7   \$	(22) (0.21)	\$ 0.93	\$	-		-	46.23	
Quantity Dollars  ALLOWANCES from Market; Quantity Dollars	### 4,000 \$ 47.3  FROM PURCH	0   7   \$	(22) (0.21)	97 \$ 0.93	\$ \$	-	\$		\$ 46.23	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars  \$\text{S}\Allowance}	### 4,000 \$ 47.3  FROM PURCH	0   7   \$	(22) (0.21)	97 \$ 0.93	\$ \$	-	\$		\$ 46.23	
Quantity Dollars  ALLOWANCES From Market; Quantity Dollars S/Allowance	### 4,000 \$ 47.3  FROM PURCH	0   7   \$	(22) (0.21)	97 \$ 0.93	\$ \$	-	\$		\$ 46.23	
Quantity Dollars	# 4,07 \$ 47.3 FROM PURCHL	0   7   \$	(0.21)	97 \$ 0.93 - \$ - \$ -	\$ \$		\$		\$ 46.23	

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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

#### For the Expense Month of January 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	<u> </u>	1 drondsos	(Courrect)	(Other Tuess)	1 000	Hiveliory	Sale Date to Vinage Tours
TOTAL EMISSIC	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	7,299	0	0	0	0	7,299	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 0.12	
ALLOCATED AI	LOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	7,108		I -	_	-	7,108	Beginning Inventory includes 6,128 2012 vintage
Dollars	\$ 864.83		\$ -	\$ -	\$ -	\$ 864.83	allowances
		OM EPA: OTHER	FUELS			•	
Quantity	191	-	-		-	191	Beginning Inventory includes 84 2012 vintage
Dollars	\$ 0.30	\$ -	\$ -	\$ -	-	\$ 0.30	allowances
	FROM PURCHAS	ES:				-	
From Market:							
Quantity	0		0	0		0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	-	-	
						· · · · · · · · · · · · · · · · · · ·	
From KU:							
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.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of January 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	14,133	275	1,317	0	0	13,091	
Dollars	\$ -	\$ 19,250.00	\$ 1,759.60	\$ -	\$ -	\$ 17,490.40	
S/Allowance	\$ -	\$ 70.00	\$ 1.34	-	. \$ -	\$ 1.34	
ALLOCATED AI	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	14,030	-	1,317	-	-	12,988	Beginning inventory includes 14,030 2012 vintage allowances;
Dollars	\$ -	\$ -	\$ 1,759.60	\$ -	\$ -	\$ 17,490.40	Ending inventory includes total from below
ALLOCATED A	T I OWANCES ED	OM EPA: OTHER	FUELS		•		
			T	Ι	T	103	Reginning inventory includes 103 2012 vintage allowances
Quantity	103			- 0	-	103	Beginning inventory includes 103 2012 vintage allowances
Quantity Dollars			T	\$ -	\$ -	\$ -	Beginning inventory includes 103 2012 vintage allowances
Quantity Dollars  ALLOWANCES	103	\$ -					Beginning inventory includes 103 2012 vintage allowances
Quantity Dollars  ALLOWANCES From Market:	\$ -	- \$	\$ -	s -	\$ -	\$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PURCHAS	ES:	\$ -	0	\$ -	\$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	103   \$ -	ES: 275 \$ 19,250.00	- \$ - 0 \$ -	\$ - 0 \$ -	0 \$ -	0 \$ -	Beginning inventory includes 103 2012 vintage allowances  Included in total above - purchase of 275 allowances from AEI
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS	ES:	- \$ - 0 \$ -	\$ - 0 \$ -	\$ -	\$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	103   \$ -	ES: 275 \$ 19,250.00	- \$ - 0 \$ -	\$ - 0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars  Allowance From KU:	103   \$ -	ES:  275 \$ 19,250.00 \$ 70.00	0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	0 5 - 5 -	
Quantity Dollars	103   \$	ES:  275 \$ 19,250.00 \$ 70.00	0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	0 5 - 5 -	

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2012

Envir	Environmental Compliance Plan										
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount									
11th Previous Month	160,038	\$ -									
10th Previous Month	150,155										
9th Previous Month	102,021										
8th Previous Month	148,079										
7th Previous Month	106,254										
6th Previous Month	170,289										
5th Previous Month	270,125	l'									
4th Previous Month	174,545										
3rd Previous Month	61,568										
2nd Previous Month	104,274										
Previous Month	130,472	52,540									
Current Month	137,600	54,008									
Total 12 Month O&M	\$ 1,715,420	\$ 106,548									

Determination of Working Capital Allowance											
12 Months O&M Expenses	\$	1,715,420	\$	106,548							
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8							
Pollution Control Cash Working Capital Allowance	\$	214,428	\$	13,319							

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2012

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan				
502056-ECR Scrubber Operations			48,774.09	48,774.09
512055-ECR Scrubber Maintenance			-	-
Total 2005 Plan O&M Expenses			48,774.09	48,774.09
2006 Plan	,			
506159 - ECR Sorbent Injection Operation			2,581.46	2,581.46
506152 - ECR Sorbent Reactant - Reagent Only			9,441.96	9,441.96
512152 - ECR Sorbent Injection Maintenance			153.59	153.59
506150 - ECR Mercury Monitors Operation	(317.67)	(851.96)	(106.28)	(1,275.91)
512153 - ECR Mercury Monitors Maintenance	- 1		- 1	
502056 - ECR Scrubber Operations			16,540.61	16,540.61
512055 - ECR Scrubber Maintenance			8,468.04	8,468.04
506154 - ECR NOx Operation Consumables			20,246.05	20,246.05
506155 - ECR NOx Operation Labor and Other			780.34	780.34
512151 - ECR NOx Maintenance			641.62	641.62
506051 - ECR Precipitator Operation			1,484.24	1,484.24
506151 - ECR Activated Carbon			29,489.95	29,489.95
512051 - ECR Precipitator Maintenance			274.31	274.31
Total 2006 Plan O&M Expenses	\$ (317.67)	(851.96)	89,995.89	88,826.26
2009 Plan				
502012 - ECR Landfill Operations	-			
512105 - ECR Landfill Maintenance		_		
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses	<del></del>		-	-
THE BOOK THAT COURT EMPOREOU				
Subtotal - Pre-2011 Plans	(317.67)	(851.96)	138,769.98	137,600.35
2011 Plan				
502056 - ECR Scrubber Operations				_
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation		-	9,836.77	9,836.77
506152 - ECR Sorbent Reactant - Reagent Only		-	43,940.23	43,940.23
512152 - ECR Sorbent Injection Maintenance		-	231.46	231.46
506156 - ECR Baghouse Operations		-		
512156 - ECR Baghouse Maintenance		-	-	
506151 - ECR Activated Carbon		-	-	-
Adjustment for Base Rates Baseline Amounts		-		_
			54,008.46	· 54,008.4
Total 2011 Plan O&M Expenses			34,008.46	74,000.40

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2012

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

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

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

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2012

Third Party	O&M Expense Account	· Plant	Total O&M
	·		
		· ·	
	, , , , , , , , , , , , , , , , , , , ,		
Total Monthly Be	neficial Reuse Expense		\$ -
	eneficial Reuse in Base Rates (from ES Form 2.6	51)	\$ -
Net Beneficial Re	use O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2012

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

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

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)	(2) (3) (4) (5) (6) (7)								
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)		
Feb-11	\$ 21,057,007	\$ 7,011,752	\$ 831,565	\$ 1,172,666	\$ 386,720	\$ 30,459,710	\$	30,072,990		
Mar-11	19,413,371	6,273,687	165,608	1,046,734	293,582	\$ 27,192,982	\$	26,899,400		
Apr-11	17,467,777	5,532,667	613,800	528,908	340,308	\$ 24,483,461	\$	24,143,152		
May-11	17,737,681	5,602,741	639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873		
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762		
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256		
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733		
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093		
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315		
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182		
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021		
Jan-12			994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346		
	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.									
	Jurisdictional Revenues		Surcharge for 12-month	s ending with Current Mo	onth =		\$	31,682,177 75,194,874		
	es as a Percentage of Tot							42.13%		

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues									
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)			
Feb-11	\$ 24,649,727	\$ 11,072,492	\$ 1,327,377	\$ 236,681	\$ 432,388	\$ 37,718,665		\$ 24,886,408			
Mar-11	26,932,047	12,560,884	511,033	249,263	448,801	\$ 40,702,028	\$ 40,253,227	\$ 27,181,310			
Apr-11	25,607,191	11,508,317	1,126,717	301,374	533,813	\$ 39,077,412	\$ 38,543,600	\$ 25,908,566			
May-11	27,604,702	11,911,717	1,329,618	317,400	423,072	\$ 41,586,510	\$ 41,163,439	\$ 27,922,103			
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917	\$ 49,712,979	\$ 49,030,062	\$ 32,546,445			
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421	\$ 49,259,568	\$ 32,083,031			
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232			
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782			
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815					
Nov-11	24,296,515	11,773,278	1,586,245	293,591		\$ 38,028,812					
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186			
Jan-12		13,394,478		403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789			
for 12 Months End	urisdictional Revenues, F ing Current Expense Mon	nth.					\$ 43,512,697				
	Jurisdictional Revenues				onth =		\$ 75,194,874				
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			57.87%				

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2012

			Revenues per	Rev	enues per		
	_		Form 3.00		ne Statement		
Kentuck	y Retail Revenues						
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	70,777,853	\$	70,777,853		
(2)	Fuel Adjustment Clause	\$	2,565,988	\$	2,565,988		
(3)	DSM	\$	1,262,144	\$	1,262,144		
(4)	Environmental Surcharge			\$	279,719		
(5)	CSR Credits			\$	(77,538)		
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	74,605,985				
	risdictional Revenues	_	10 100 007		10 100 005		
(7)	InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	13,123,235	\$	13,123,235		
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$_	13,123,235				
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	87,729,220		-		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		85.04%				
Reconci	Reconciling Revenues						
(10)	Brokered	\$	-	\$	-		
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$ .	_		
(12)	Unbilled			\$	(1,162,381)		
(13)	Miscellaneous			\$	1,351,718		
(14)	Total Company Revenues per Income Statement =			\$	88,120,738		



RECEIVED

MAR 1 9 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Manager - Rates T 502-627-3324 F 502-627-3213 robert.conroy@eon-us.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

March 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Ms. O'Donnell:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after March 29, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of February 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16  Group 1 ES Billing Factor ES Form 1.10, line 18	=	\$ 175,798 0.56%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 241,576
Group 2 ES Billing Factor ES Form 1.10, line 18	=	0.84%

Effective Date for Billing: April billing cycle beginning March 29, 2012

Submitted by:

Title: Director, Rates

Date Submitted: March 19, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of February 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-tern and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

	Pre-2011 Environmental Compliance Plans				2011 Environmental Compliance Plans
(1) RB	=	\$	76,154,412	\$	1,467,219
(2) RB / 12	=	\$	6,346,201	\$	122,268
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	==		10.82%		10.37%
(4) OE	=	\$	389,521	\$	42,893
(5) BAS	=	\$	-		Not Applicable
(6) BR	=	\$	-		Not Applicable
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$	1,076,180	\$	55,572
(8) Total $E(m) = \text{sum of Pre-2011 } E(m) + 2011 E(m)$		\$	1,131,752		

Calculation of Adjusted Net Jurisdictional E(m)

	Aujusti	ed 14et Juli saletional E(m)		
	(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	90.50%
	(10)	$\label{eq:continuous} \mbox{Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio } \mbox{ [(8) x (9)]}$	=	\$ 1,024,236
	(11)	Adjustment for (Over)/Under-collection pursuant to	=	\$ -
	(12)	Prior Period Adjustment (if necessary)	=	-
	(13)	Revenue Collected through Base Rates	=	606,863
	(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	417,373
- 1	ł			

Calculation of Group Environmental Surcharge Billing Factors

		GROUI	GROUP 1 (Total Revenue)		UP 2 (Net Revenue)
1					
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.12%		57.88%
(16)	Group E(m) [(14) x (15)]	= \$	175,798	\$	241,576
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,639,684	\$	28,614,354
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.56%		0.84%

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of February 2012

**Determination of Environmental Compliance Rate Base** 

Determination of Environmental Computation Rate Dase								
	Pre-2011 Enviromental Compliance Plans			2011 Enviromental Compliance F				
Eligible Pollution Control Plant	\$	74,459,569			\$	-		
Eligible Pollution CWIP Excluding AFUDC		9,653,051				1,448,556		
Subtotal			\$	84,112,620			\$	1,448,556
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		17,149						
Cash Working Capital Allowance		214,549				18,663		
Subtotal				231,698				18,663
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		4,590,684						
Pollution Control Deferred Income Taxes		3,599,222				-		
Subtotal				8,189,906				-
Environmental Compliance Rate Base			\$	76,154,412			\$	1,467,219

**Determination of Pollution Control Operating Expenses** 

Determination of Fondation Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 161,007	\$ 42,758
Monthly Depreciation & Amortization Expense	232,123	` .
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,206	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		
Total Pollution Control Operations Expense	\$ 389,521	\$ 42,893

**Determination of Beneficial Reuse Operating Expenses** 

Determination of Denemeral Rease Operating Expenses		
	Envir	onmental
	Compl	iance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

Proceeds From By-Product and Allowance Sai	ies					
		Γotal	Amo	unt in		Net
	Pro	oceeds	Base	Rates	I	Proceeds
		(1)	(	(2)		(1) - (2)
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	-	\$	-	\$	-

Plant, CWIP & Depreciation Expense

For the Month Ended: February 29, 2012

(1)	(2)	(3) ·	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 2/29/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$ 4,818,430 \$ 4,730,568 \$ 850,100	\$ 494,748 \$ 438,521 \$ 128,061	\$ 2,669 \$ 864,497 \$	\$ 4,326,351 \$ 5,156,544 \$ 722,039	\$ 638,511 \$ 357,292 \$ 111,568		\$ 10,067 \$ 8,397 \$ 2,564	\$ 544 \$ 646 \$ 91
Project 19 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 308,507 \$ - \$ 7,361,077	\$ 60,854 \$ - \$ 1,564,437	\$ - \$ - \$ -	\$ 247,653 \$ - \$ 5,796,640	\$ 20,461 \$ - \$ 1,316,239		\$ 1,147 \$ - \$ 22,206	\$ 31 \$ - \$ 730
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ 18,068,683 \$ (2,520,865)			\$ 16,249,227 \$ (1,551,534)			\$ 44,380 \$ (5,253)	
Net Total - 2005 Plan:	\$ 15,547,817	\$ 1,717,291	\$ 867,167	\$ 14,697,693	\$ 2,059,376		\$ 39,127	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal	\$ 43,429,831 \$ 3,440,076 \$ 2,050,346 \$ 397,151 \$ 49,317,405	\$ 299,701 \$ 85,469	\$ - \$ - \$	\$ 3,053,913 \$ 1,750,645 \$ 311,682	\$ 363,878 \$ 68,643 \$ 79,952		\$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221 \$ 39
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ -	\$ -	s -	\$ -	\$ -	s -	\$ -
Net Total - 2006 Plan:	\$ 49,317,405	\$ 2,822,298	\$ 770,500	\$ 47,265,607	\$ 1,374,860	\$ 14,527	\$ 172,558	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 51,095 \$ - \$ -	\$ 4,363,203 \$ 2,223,865	9,514,691 \$ 4,363,203 \$ 2,223,865	\$ 164,986 \$ - \$ -		\$ - \$ 20,438 \$ - \$ -	\$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 51,095 \$ -	\$ 8,015,384 \$ -	\$ 17,558,636 \$ -	\$ 164,986		\$ 20,438	\$ 1,917
Net Total - 2009 Plan:	\$ 9,594,347	\$ 51,095	\$ 8,015,384	\$ 17,558,636	\$ 164,986		\$ 20,438	3 \$ 1,917
Subtotal - Pre-2011 Plans:	\$ 74,459,569		\$ 9,653,051	\$ 79,521,936	3,599,222	\$ 14,527	1 \$ 232,123	3 \$ 9,712

Plant, CWIP & Depreciation Expense

For the Month Ended: February 29, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 2/29/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 1,404,315 \$ 44,241	\$ 44,241	\$ -		\$ - \$ -	\$ 135 \$ 1	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	\$ - \$	\$ 1,448,556 \$ -	\$ 1,448,556 \$ -	\$ - \$ -		\$ - \$ -	\$ 135 \$ -	
Net Total - 2011 Plan:	\$ -	\$ -	\$ 1,448,556	\$ 1,448,556	\$ -	\$ -	\$ -	\$ 135	
Net Total - All Plans:	\$ 74,459,569	\$ 4,590,684	\$ 11,101,606	\$ 80,970,491	\$ 3,599,222	\$ 14,527	\$ 232,123	\$ 9,848	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Inventory of Emission Allowances

For the Month Ended: February 29, 2012

Vintage Year	Nur	mber of Allowand	es	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	160,302	12,188	7,299	\$ 1,526.73	\$ 16,283.93	\$ 865.13	
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379				1		
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379				-		
2032 - 2041	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	ES IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	166,024	. 0	5,722	0	0	160,302	
Dollars			\$ 54.48		\$ -	\$ 1,526.73	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL I					
Quantity	162,073	-	5,560		_	156,513	
Dollars	\$ 1,534.98	3 \$ -	\$ 52.94	-	\$ -	\$ 1,482.04	
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER					
Quantity	3,951		162	-	_	3,789	
Dollars	\$ 46.23	3 \$ -	\$ 1.54	\$ -		\$ . 44.69	
	FROM PURCHA	SES:					
From Market:							
Quantity		-	-		-	-	
Dollars	\$ -	\$	\$ -	\$ -	\$ -	\$ -	·
\$/Allowance	\$ -		-	-	\$ -	\$ -	
From KU							
Quantity	_	-	-	-		-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of February 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,299	0	0	0	0	7,299	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 0.12	
	LOWANCES FRO	OM EPA: COAL F	UEL			- 100	
Quantity	7,108	-	-		-	7,108	
Dollars	\$ 864.83	\$ -	\$ -	\$ -	\$ -	\$ 864.83	
			1				
ITT OCUMED IT	T OWN MORE TRA	ON ED L. OFFIED	ENTERY C				
	LOWANCES FRO			T	T T	191	
Quantity Dollars	\$ 0.30	- \$ -	\$ -		\$ -	\$ 0.30	
Dollars	\$ 0.30	φ -		-	Ψ -	ψ 0.50	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:	Thomas catorais	1			T		
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
	<u> </u>	L	- Laine				
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$	\$ -	. \$ -	
						,	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of February 2012

Commity		Beginning	1	Allocations/		Utilized		Itilized		0-14		Ending	Allocation, Purchase, or
Quantity   13,091   0   903   0   0   12,188		Inventory		Purchases	((	Coal Fuel)	(Oti	ier Fuels)		Sold		Inventory	Sale Date & Vintage Years
Quantity   13,091   0   903   0   0   12,188													
Dollars   \$ 17,490.40   \$ -   \$ 1,206.47   \$ -   \$ -   \$ 16,283.93     S/Allowance   \$ 1,34   \$ -   \$ 1.34   \$ -   \$ -   \$ 1.34     ALLOCATED ALLOWANCES FROM EPA: COAL FUEL  Quantity   12,988   -   901   -   12,087     Dollars   \$ 17,490.40   \$ -   \$ 1,206.47   \$ -   \$ -   \$ 16,283.93     Dollars   \$ 17,490.40   \$ -   \$ 1,206.47   \$ -   \$ -   \$ 16,283.93     ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity   103   -   2   -     101     Dollars   \$ -   \$ -   \$ -   \$ -   \$ -     Dollars   \$ -   \$ -   \$ -   \$ -     ALLOWANCES FROM PURCHASES:  From Market:                         Quantity   0   0   0   0   0   0     Dollars   \$ -   \$ -   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   \$ -     S/Allowance   S/Allowance   S/Allo					, ALL		ATIONS						
\$\frac{1}{3}\frac{1}{3} \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \				0				C		0	_		
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL  Quantity				-				-		-	-		
Quantity	\$/Allowance	\$ 1.	34 \$		\$	1.34	\$	-	\$		\$	1.34	
Quantity         12,988         -         901         -         -         12,087           Dollars         \$ 17,490,40         \$ -         \$ 1,206.47         \$ -         \$ -         \$ 16,283,93           ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS           Quantity         103         -         2         -         -         101           Dollars         \$ -         \$ -         \$ -         \$ -         \$ -           From Market:         0         0         0         0         0         0           Quantity         0         0         0         0         0         0         0           Dollars         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -           From KU:                             0         0         0         0                   0													
Dollars   \$ 17,490.40   \$ - \$ 1,206.47   \$ - \$ - \$ 16,283.93	ALLOCATED A	LLOWANCES 1	ROM I	EPA: COAL F	UEL								,
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS  Quantity								-					
Quantity         103         -         2         -         -         -         101           Dollars         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -           ALLOWANCES FROM PURCHASES:           From Market:	Dollars	\$ 17,490	40 \$	_	\$	1,206.47	\$		\$	-	\$	16,283.93	
Quantity         103         -         2         -         -         -         101           Dollars         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -           ALLOWANCES FROM PURCHASES:           From Market:													
Quantity         103         -         2         -         -         101           Dollars         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -         \$ -													
Dollars   \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	ALLOCATED A	LLOWANCES	ROM 1	EPA: OTHER	FUEI	LS							
ALLOWANCES FROM PURCHASES:  From Market:  Quantity  0  0  0  0  0  0  0  0  0  0  0  0  0	Quantity	1	03	-		2		-		-		101	
From Market:         Image: Company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the company of the compan	Dollars	\$	\$	-	\$	-	\$	_	\$	-	\$	-	
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Dollars         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         -         \$         - </td <td>From Market:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>T</td> <td></td> <td></td>	From Market:										T		
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		\$	- \$	-	\$	_	\$	-	\$	-	\$	-	
							<u> </u>						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 29, 2012

Envir	ronmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	150,155	·
10th Previous Month	102,021	
9th Previous Month	148,079	
8th Previous Month	106,254	
7th Previous Month	170,289	·
6th Previous Month	270,125	
5th Previous Month	174,545	
4th Previous Month	61,568	
3rd Previous Month	104,274	
2nd Previous Month	130,472	52,540
Previous Month	137,600	54,008
Current Month	161,007	42,758
Total 12 Month O&M	\$ 1,716,389	\$ 149,306

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,716,389	\$		149,306					
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	214,549	\$		18,663					

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 29, 2012

O&M Expense Account	Cane	Run	Mill Creek	Trimble County	Total
Occin Exposise recount		, Kun	IVANI CICOR	Timble County	1000
005 Plan					
502056-ECR Scrubber Operations				51,258.80	51,258.80
512055-ECR Scrubber Maintenance				-	
Total 2005 Plan O&M Expenses				51,258.80	51,258.80
006 Plan					
506159 - ECR Sorbent Injection Operation				1,221.48	1,221.4
506152 - ECR Sorbent Reactant - Reagent Only				10,763.59	10,763.5
512152 - ECR Sorbent Injection Maintenance				2,502.41	2,502.4
506150 - ECR Mercury Monitors Operation		317.67	851.96	1,498.50	2,668.1
512153 - ECR Mercury Monitors Maintenance		-	-	-	-
502056 - ECR Scrubber Operations				22,626.13	22,626.1
512055 - ECR Scrubber Maintenance				11,851.66	11,851.6
506154 - ECR NOx Operation Consumables				21,605.05	21,605.0
506155 - ECR NOx Operation Labor and Other				765.34	765.3
512151 - ECR NOx Maintenance				1,435.12	1,435.1
506051 - ECR Precipitator Operation				1,772,45	1,772,4
506151 - ECR Activated Carbon				30,060.66	30,060.0
512051 - ECR Precipitator Maintenance				2,476.21	2,476.2
Total 2006 Plan O&M Expenses	\$	317.67	851.96	108,578.60	109,748.2
009 Plan					
502012 - ECR Landfill Operations		-			-
512105 - ECR Landfill Maintenance		-		***	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-		-	-
Net 2009 Plan O&M Expenses		-		-	-
Subtotal - Pre-2011 Plans		317.67	851.96	159,837.40	161,007.0
011 Plan					
502056 - ECR Scrubber Operations			-		
512055 - ECR Scrubber Maintenance			-		
506159 - ECR Sorbent Injection Operation			-	4,918.39	4,918.
506152 - ECR Sorbent Reactant - Reagent Only			-	37,131.61	37,131.
512152 - ECR Sorbent Injection Maintenance			-	707.72	707.
506156 - ECR Baghouse Operations			-	-	
512156 - ECR Baghouse Maintenance			_	-	-
506151 - ECR Activated Carbon			-	-	-
Adjustment for Base Rates Baseline Amounts			-		-
Total 2011 Plan O&M Expenses				42,757.72	42,757.
C	1.6	017 (7   6	051.071	000 505 10 1 6	202.574
Current Month O&M Expense for All Plans	\$	317.67 \$	851.96	\$ 202,595.12 \\$	203,764.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		14 TT 1 TT 1 TT 1 TT 1 TT 1 TT 1 TT 1 T
(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	<u> </u>	
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 29, 2012

Third Party	O&M Expense Account	Plant	Total O&M			
		-				
			1			
Total Monthly Ber	neficial Reuse Expense		\$ -			
Adjustment for Be	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Re	use O&M Expense		\$ -			

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 29, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	-	-	\$ -	
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	
2009 Plan Project 25				-:
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	
(S) Intellity Intellity (Emperior to 1980)		•		
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ -	
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	-	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -		\$ -	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ -	
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Dace Date Amount (to ES Form 2.60)	T\$ -	1\$	T\$ -	T \$ -
Adjustment for Base Rate Amount (to ES Form 2.60)	\$ -	19	<u> </u>	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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	\$ 19,413,371	\$ 6,273,687	\$ 165,608	\$ 1,046,734	\$ 293,582	\$ 27,192,982	\$	26,899,400		
Apr-11	17,467,777	5,532,667	613,800	528,908	340,308	\$ 24,483,461	\$	24,143,152		
May-11	17,737,681	5,602,741	639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873		
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762		
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256		
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733		
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093		
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315		
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182		
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021		
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ . 32,700,884	\$	32,577,346		
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077		
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.									
Average Kentucky J	furisdictional Revenues e	xcluding Environmental 3	Surcharge for 12-months	ending with Current Mor	nth =		\$	75,122,552		
GROUP 1 Revenue	s as a Percentage of Tota	Revenues for 12-month	s ending with the Current	Month				42.12%		

	GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)	
Mar-11	\$ 26,932,047	\$ 12,560,884	\$ 511,033	\$ 249,263	\$ 448,801	\$ 40,702,028	\$ 40,253,227	\$ 27,181,310	
Apr-11	25,607,191	11,508,317	1,126,717	301,374	533,813	\$ 39,077,412	\$ 38,543,600	\$ 25,908,566	
May-11	27,604,702	11,911,717	1,329,618	317,400	423,072				
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917				
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853				
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792				
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240				
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268				
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183				
Dec-11	24,749,375	12,161,662	1,252,433	315,812					
Jan-12	26,659,672	13,394,478	1,571,373	403,116					
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750	
Average Monthly Ju	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,								
for 12 Months Endi	for 12 Months Ending Current Expense Month.								
		xcluding Environmental			nth =		\$ 75,122,552 57,88%		
GROUP 2 Revenue	s as a Percentage of Tota	GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							

**Reconciliation of Reported Revenues** 

For the Month Ended: February 29, 2012

	Revenues per	Revenues per
	Form 3.00	Income Statement
Kentucky Retail Revenues		
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 62,747,1	132 \$ 62,747,132
(2) Fuel Adjustment Clause	\$ 2,603,5	517 \$ 2,603,517
(3) DSM	\$ 1,140,7	754 \$ 1,140,754
(4) Environmental Surcharge		\$ 284,828
(5) CSR Credits		\$ (15,618)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 66,491,4	103
	V-0	
Non -Jurisdictional Revenues		
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 6,976,3	344 \$ 6,976,344
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	= \$ 6,976,2	344
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$ 73,467,	747
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	90.50%	
Reconciling Revenues		·
(10) Brokered	\$	- \$ -
(11) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(12) Unbilled		\$ 1,105,680
(13) Miscellaneous		\$ 1,297,769
(14) Total Company Revenues per Income Statement =		\$ 76,140,406



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

APR 20 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

April 20, 2012

RE:

Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after April 30, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of March 2012

GROUP 1 (Total Revenue)		
Group 1 E(m) ES Form 1.10, line 16	=	\$ 193,518
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.61%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	. =	\$ 266,911
Group 2 ES Billing Factor ES Form 1.10, line 18	=	0.93%

Effective Date for Billing: May billing cycle beginning April 30, 2012

Submitted by:

Title: Director, Rates

Date Submitted: April 20, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of March 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Opérating Expenses

			Pre-2011 Environme Compliance Plan:						
(1) RB			=	\$	76,523,810	\$		1,968,363	
(2) RB/12			==	\$	6,376,984	\$		164,030	
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))		==		10.82%			10.37%	
(4) OE			=	\$	339,714	\$		52,077	
(5) BAS			=	\$	(223,227)		Not Applicable		
(6) BR			=	\$	5,985		Not Applicable	1	
(7) E(m)	(2) x (3) + (4) - (5) + (6)		=	\$	1,258,915	\$	ı	69,087	
(8) Total E(m) = su	nm of Pre-2011 E(m) + 2011 E(m)			\$	1,328,002		•		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	. =	89.22%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	1,184,843
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	724,414
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	460,429

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	21 (Total Revenue)	GROUP 2 (Net Revenue)
·(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.03%	57,97%
(16)	Group E(m) [(14) x (15)]	= \$	. 193,518 \$	266,911
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,595,784 \$	28,566,944
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.61%	0.93%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Compilance Rate Dasc							
	Pre	Pre-2011 Enviromental Compliance Plans			2011 Enviromental Compliance P		
Eligible Pollution Control Plant	\$	76,130,659			\$ -		
Eligible Pollution CWIP Excluding AFUDC		8,722,671			1,943,207		
Subtotal			\$	84,853,330		\$	1,943,207
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		15,658					
Cash Working Capital Allowance		209,372			25,156		
Subtotal				225,030			25,156
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant		4,830,322			-		
Pollution Control Deferred Income Taxes		3,724,228					
Subtotal				8,554,550			
Environmental Compliance Rate Base			\$	76,523,810		\$	1,968,363

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 108,745	\$ 51,942
Monthly Depreciation & Amortization Expense	234,385	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,399	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 339,714	\$ 52,077

Determination of Beneficial Reuse Operating Expenses

	Envi	ronmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	5,985
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	5,985

Proceeds From By-Product and Allowance Sales

Froceeds From By-Froduct and Anowance Sales						
	7	Total	A	mount in		Net
·	Proceeds		В	Base Rates		Proceeds
		(1)		(2)		(1) - (2)
Allowance Sales	\$	694	\$	223,921	\$	(223,227)
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	694	\$	223,921	\$	(223,227)

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6) .	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 3/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1	- , ,	\$ 504,815 \$ 447,870 \$ 130,626	s -	\$ 4,316,284 \$ 5,147,196 \$ 719,475	\$ 363,237		\$ 10,067 \$ 9,348 \$ 2,564	\$ 646
Project 15 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 308,507 \$ - \$ 7,361,077	\$ 62,001 \$ -	\$ \$ - \$ -	\$ 246,506 \$ - \$ 5,774,434	\$ 20,553 \$ -		\$ 1,147 \$ - \$ 22,206	\$ 31 \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ 18,933,180 \$ (2,520,865)			\$ 16,203,895 \$ (1,551,534)			\$ 45,332 \$ (5,253)	
Net Total - 2005 Plan:	\$ 16,412,315	\$ 1,762,623	\$ 2,669	\$ 14,652,361	\$ 2,086,342		\$ - 40,079	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 395,940 \$ 308,568 \$ 86,830	\$ - \$ - \$ -	\$ 42,031,596 \$ 3,044,136 \$ 1,741,778 \$ 310,321	\$ 372,202 \$ 69,692 \$ 79,911		\$ 153,863 \$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221 \$ 39
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 50,123,997 \$ -	\$ 2,996,166	s -	\$ 47,127,832	\$ -	\$ -	\$ -	\$ -
Net Total - 2006 Plan:	\$ 50,123,997	\$ 2,996,166	-	\$ 47,127,832	\$ 1,458,398	\$ 14,527	\$ 173,868	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 71,534 \$ - \$ -	\$ 1,247,993 \$ (83,751 \$ 4,823,325 \$ 2,732,434	) \$ 9,439,063 \$ 4,823,325	\$ 179,488		\$ - \$ 20,438 \$ - \$ -	\$ 180 \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 71,534	\$ 8,720,002	\$ 18,242,816	\$ 179,488		\$ 20,438 \$ -	\$ 1,917
Net Total - 2009 Plan:	\$ 9,594,347	\$ 71,534	\$ 8,720,002	2 \$ 18,242,810	5 \$ 179,488	3	\$ . 20,438	\$ 1,917
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 4,830,322	2 \$ 8,722,67	\$ 80,023,009	3,724,228	3 \$ 14,527	\$ 234,385	5 \$ 9,712

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Description	Eligible Eligible Plant In Accumulated Service Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 3/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Depreciation Property Tax	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 1,870,613 \$ 72,594				s - s -	\$ 135 \$ 1	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	s - s -	s -	\$ 1,943,207 \$ -	\$ 1,943,207 \$ -	s -		s - s -	\$ 135 \$ -	
Net Total - 2011 Plan:	-	\$ -	\$ 1,943,207	\$ 1,943,207	\$ -	\$ -	-	\$ 135	
Net Total - All Plans:	\$ 76,130,659	\$ 4,830,322	\$ 10,665,878	\$ 81,966,215	\$ 3,724,228	\$ 14,527	\$ 234,385	\$ 9,848	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Inventory of Emission Allowances

For the Month Ended: March 31, 2012

Vintage Year	· Nun	nber of Allowand	ces	Tot	al Dolla	ar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	154,442	11,141	7,299	\$ 1,470.91	\$	14,885.08	\$ 865.13	
2013	62,379							
2014	62,379							//
2015	62,379							
2016	62,379							
2017	62,379				1			
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							·
2023	62,379							
2024	62,379							
2025	62,379							AND THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO THE PERSON NAMED IN COLUMN TO TH
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032 - 2041	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	160,302		5,860	0	C	154,442	
Dollars	\$ 1,526.73	\$ -	\$ 55.82		-	\$ 1,470.91	
Allowance	\$ 0.01	\$ -	\$ 0.01	-	\$ -	\$ . 0.01	
LLOCATED A	LLOWANCES FR						
Quantity	156,513		5,714		-	150,799	
Dollars	\$ 1,482.04	\$ -	\$ 54.43	\$ -	\$ -	\$ 1,427.61	
		1					
	LLOWANCES FR			·			
Quantity	3,789	-	146			3,643	
Quantity		-			\$ -	3,643 \$ 43.30	
ALLOCATED A Quantity Dollars	3,789	-	146				
Quantity Dollars	3,789 \$ 44.69	\$ -	146				
Quantity Dollars  ALLOWANCES	3,789	\$ -	146				
Quantity Dollars  ALLOWANCES From Market:	3,789 \$ 44.69	\$ -	146		\$ -		
Quantity Dollars  ALLOWANCES from Market: Quantity	3,789 \$ 44.69 FROM PURCHAS	- \$ - EES:	146 \$ 1.39	s -	\$ -	\$ 43.30	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	3,789 \$ 44.69 FROM PURCHAS	\$ - \$ -	\$ 1.39	\$ -	\$ -	\$ 43.30	
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars	3,789 \$ 44.69 FROM PURCHAS	-   \$ -   SES:   -   \$ -	146 \$ 1.39	\$ - \$ - \$ -	- - - -	\$ 43.30	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	3,789 \$ 44.69 FROM PURCHAS	-   \$ -   SES:   -   \$ -	146 \$ 1.39	\$ - \$ - \$	- - - -	\$ 43.30	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$ [Allowance] From KU	3,789 \$ 44.69 FROM PURCHAS - \$ - \$ -	-   \$ -   SES:   -   \$ -	146 \$ 1.39	\$ - \$ - \$	- - - -	\$ 43.30	
Quantity Dollars	3,789 \$ 44.69 FROM PURCHAS	SES:	146 \$ 1.39 \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	- S - S - S -	\$ 43.30 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - 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 EMISSIC	ON ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	ATIONS			
Quantity	7,299	0	0		0	7,299	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 0.12	
ALLOCATED AI	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	6,665	_	_	-	-	6,665	
Dollars	\$ 773.30	\$ -	\$ -	-	\$ -	\$ 773.30	
ALLOCATED AI	LLOWANCES FRO	OM EPA: OTHER	FUELS	Г		634	
Dollars	\$ 91.83		\$ -	\$ -	s -	\$ 91.83	
Donais	91.05	-	φ -	,		71.05	
	FROM PURCHAS	ES:				1	
From Market:						ļ	
Quantity	0		0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	-	\$ -	\$ -	-	\$ -	\$ -	
		Γ					T
From KU:						-	
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.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2012

		ginning ventory	Allocations/ Purchases		Utilized (Coal Fuel)	Utilized (Other Fuels)	T	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	1 111	citory	i dichases		(Coarruct)	(Offici Tucis)		5014		mventory	Sale Date & Village Tears
TOTAL EMISS	ION ALL	OWANCES	S IN INVENTOR	RY.	ALL CLASSIFIC	ATIONS					
Quantity	1	12,188		0	1,034	1:	3	0	Г	11,141	100 TO THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL THE TOTAL
Dollars	\$	16,283.93	\$ -		\$ 1,398.85	\$ -	\$	-	\$	14,885.08	
\$/Allowance	\$	1.34		$\top$	\$ 1.35	\$ -	\$	-	\$	1.34	
									•		
ALLOCATED A	LLOWA	NCES FRO	OM EPA: COAL	, FU				,			
Quantity		11,278	-		959			-		10,319	
Dollars	\$	16,283.93	\$ -		\$ 1,398.85	\$ -	\$	-	\$	14,885.08	
ALLOCATED A	ALLOWA	NCES FRO	OM EPA: OTHE	RF	TUELS	<b>*</b> .					
Quantity		910	-		75	1	3	-		822	
Dollars	\$	-	\$ -		\$ -	-	1 9	\$ -	\$	-	
ALLOWANCE	FROM I	PURCHAS	ES:								
From Market:											
Ossentitus		0		_	0			0		0	
Quantity		0		0	0		0			- 0	
Quantity Dollars	\$	- 0	\$ -		\$	\$ -	9		\$		
Dollars	\$	<u>_</u>					1		+	-	
Dollars \$/Allowance			\$ -		\$	\$ -	1	\$ -	\$	-	
Dollars			\$ -		\$	\$ -	1	\$ -	\$	-	
Dollars \$/Allowance			\$ -		\$	\$ - \$ -	1	\$ -	\$	-	
Dollars \$/Allowance From KU:			\$ -	0	\$ - \$ -	\$ - \$ -	0	\$ - \$ -	\$	-	
Dollars \$/Allowance From KU: Quantity	\$	- 0	\$ -	0	\$ -	\$ -	0	\$ - \$ -	\$	-	
Dollars \$/Allowance From KU: Quantity Dollars	\$	- 0	\$ - \$ -	0	\$ \$ - 0 \$ -	\$ - \$ -	0	\$ - \$ - 0 \$ -	\$	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2012

Envir	onmental Compliance Plan			
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount		
11th Previous Month	102,021			
10th Previous Month	148,079			
9th Previous Month	106,254			
8th Previous Month	170,289			
7th Previous Month	270,125			
6th Previous Month	174,545			
5th Previous Month	61,568			
4th Previous Month	104,274			
3rd Previous Month	130,472	52,540		
2nd Previous Month	137,600	54,008		
Previous Month	161,007	42,758		
Current Month	108,745	51,942		
Total 12 Month O&M	\$ 1,674,979	\$ 201,248		

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$	1,674,979	\$		201,248		
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8			
Pollution Control Cash Working Capital Allowance	\$	209,372	\$		25,156		

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2012

O&M Expense Account	Cane Ri	ın	Mill Creek	Trimble County	Total
502056-ECR Scrubber Operations				34,405.60	34,405.60
512055-ECR Scrubber Maintenance					
Total 2005 Plan O&M Expenses				34,405.60	34,405.60
2006 Plan					
506159 - ECR Sorbent Injection Operation				1,916.85	1,916.85
506152 - ECR Sorbent Reactant - Reagent Only				7,857.61	7,857.6
512152 - ECR Sorbent Injection Maintenance				189.49	189.4
506150 - ECR Mercury Monitors Operation		1,105.51	2,964.76	861.85	4,932.1
512153 - ECR Mercury Monitors Maintenance		-	-	-	
502056 - ECR Scrubber Operations				10,360.07	10,360.0
512055 - ECR Scrubber Maintenance				(905,47)	(905.4
506154 - ECR NOx Operation Consumables				12,647.38	12,647.3
506155 - ECR NOx Operation Labor and Other				847.93	847.9
512151 - ECR NOx Maintenance				910.19	910.1
506051 - ECR Precipitator Operation				2,567,54	2,567.5
506151 - ECR Activated Carbon				26,475.36	26,475,3
512051 - ECR Precipitator Maintenance				6,540.78	6,540.7
Total 2006 Plan O&M Expenses	\$	1,105.51	2,964.76	70,269.58	74,339.8
2009 Plan					
502012 - ECR Landfill Operations		-		- 1	-
512105 - ECR Landfill Maintenance		-		- 1.	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-			-
Net 2009 Plan O&M Expenses		_			-
Subtotal - Pre-2011 Plans		1,105.51	2,964.76	104,675.18	108,745.4
2011 Plan					
502056 - ECR Scrubber Operations			-		
512055 - ECR Scrubber Maintenance			-		
506159 - ECR Sorbent Injection Operation			-	8,748.21	8,748.2
506152 - ECR Sorbent Reactant - Reagent Only			_	41,895.43	41,895.4
512152 - ECR Sorbent Injection Maintenance			-	1,298.71	1,298,
506156 - ECR Baghouse Operations				1,2,5.7.1	1,270.7
512156 - ECR Baghouse Maintenance			_		
506151 - ECR Activated Carbon					
Adjustment for Base Rates Baseline Amounts					
Total 2011 Plan O&M Expenses				51,942,35	51,942.3
Total Month & Hall County Employee				21,7 12.00	5 2,5 12.0
Current Month O&M Expense for All Plans	T \$	1,105.51   \$	2,964,76	\$ 156,617.53   \$	160,687.8

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Printing OCD Discould Building Day 2000 Discould Day 2		
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		
$(4) \qquad \text{Monthly Expense } [(2) + (3)]$	\$ -	\$ -
Base Rates		
	0	
(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 Dage Date Amount (to ES Forms 2.50)	1.6	1.6
Adjustment for Base Rate Amount (to ES Form 2.50)	-   \$	-   \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2012

Third Party	O&M Expense Account	Plant	Т	otal O&M
Charah Inc	501253 - ECR Fly Ash Disposal	Trimble County		5,984.55
	Berriy ron Dispessi	Timioto County		3,50 1.33
Total Monthly B	eneficial Reuse Expense		1\$	5,984.55
	eneficial Reuse in Base Rates (from ES For	m 2.61)	\$	-
Net Beneficial R	euse O&M Expense		\$	5,984.55

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2012

On-Site CCP Disposal O&M Expense	(	Cane Run		Mill Creek	Tr	imble County	Total
·							
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							
(1) 12 Months Ending with Expense Month	\$	-	\$	_	\$	_	\$ -
(2) Monthly Amount [(1) / 12]	\$	-	\$		\$	-	\$ -
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	_	\$	-	\$	5,984.55	\$ 5,984.55
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	5,984.55	\$ 5,984.55
Beneficial Reuse in Base Rates			-		1		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	(210,822.06)	\$ (210,822.06)
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	(17,568.51)	\$ (17,568.51)
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	-	\$	23,553.06	\$ 23,553.06
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$		\$	17,568.51	\$ 17,568.51
If Line (8) Greater than Zero, No Adjustment							
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%.

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)											
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental · Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	]	Total Excluding Environmental Surcharge (7)-(6)				
Apr-11	\$ 17,467,777	\$ 5,532,667	\$ 613,800	\$ 528,908	\$ 340,308	\$ 24,483,461	\$	24,143,152				
May-11	17,737,681	5,602,741	639,978	534,474	243,308	\$ 24,758,182	\$	24,514,873				
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762				
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256				
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733				
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093				
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315				
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182				
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021				
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346				
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077				
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598				
Average Monthly Ju	urisdictional Revenues, E	excluding Environmental	Surcharge,									
	ng Current Expense Mor						\$	31,595,784				
				s ending with Current Mo	onth =		\$	75,176,325				
GROUP 1 Revenue	es as a Percentage of Total	al Revenues for 12-mont	ns ending with the Curre	nt Month				42.03%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2)	(3)	(4)	(5)		(6)	(7)	T	(8)		· (9)		
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	\	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)		Total Excluding Environmental Surcharge (7)-(6)		Total Non-Fuel . Revenues plus DSM (2)+(5)		
Apr-11	\$ 25,607,191	\$ 11,508,317	\$ 1,126,717	\$ 301	374	\$ 533,813	\$ 39,077,413	\$	38,543,600	\$	25,908,566		
May-11	27,604,702	11,911,717	1,329,618	317	400	423,072	\$ 41,586,51	\$	41,163,439	\$	27,922,103		
Jun-11	32,147,653	13,819,406	2,664,211	398	792	682,917	\$ 49,712,979	\$	49,030,062	\$	32,546,445		
Jul-11	31,666,233	14,463,421	2,713,117	416	,798	722,853	\$ 49,982,42	\$	49,259,568	\$	32,083,031		
Aug-11	35,719,338	16,969,571	2,622,710	473	,895	180,792	\$ 55,966,30	5 \$	55,785,513	\$	36,193,232		
Sep-11	32,105,558	14,854,983	1,624,813	424	,224	92,240	\$ 49,101,81	3 \$	49,009,578	\$	32,529,782		
Oct-11	27,905,295	13,743,723	1,371,878	342	,652	82,268	\$ 43,445,81	5 \$	43,363,547	\$	28,247,947		
Nov-11	24,296,515	11,773,278	1,586,245	293	,591	79,183	\$ 38,028,81	2 \$	37,949,630	\$	24,590,106		
Dec-11	24,749,375	12,161,662	1,252,433	315	,812	98,162	\$ 38,577,44	3 \$	38,479,281	. \$	25,065,186		
Jan-12	26,659,672	13,394,478	1,571,373	403	,116	156,181	\$ 42,184,82	) \$	42,028,639	\$	27,062,789		
Feb-12	23,671,915	11,327,521	1,559,054	369	,836	157,709	\$ 37,086,03	5 \$	36,928,326	\$	24,041,750		
Mar-12	26,248,353	12,651,096	2,161,818	364	,037	265,657	\$ 41,690,96	1 \$	41,425,304	\$	26,612,391		
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge and Fuel,		•								
	ng Current Expense Mor							\$	43,580,541	\$	28,566,944		
	Jurisdictional Revenues				nt Mor	nth =		\$	75,176,325				
GROUP 2 Revenue	es as a Percentage of Tota	al Revenues for 12-mont	hs ending with the Curre	nt Month					57.97%				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: March 31, 2012

·		Revenues per		evenues per
		Form 3.00	Inco	me Statement
Kentucky Retail Revenues	· .			
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	63,473,212	\$	63,473,212
(2) Fuel Adjustment Clause	\$	3,298,260	\$	3;298,260
(3) DSM	\$	1,026,431	\$	1,026,431
(4) Environmental Surcharge			\$	442,133
(5) CSR Credits			\$	(88,270)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	67,797,903		
Non -Jurisdictional Revenues				
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	8,195,051	\$	8,195,051
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	8,195,051		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	75,992,954		A
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		89.22%		
Reconciling Revenues				
(10) Brokered	\$	-	\$	-
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	_
(12) Unbilled			\$	2,441,281
(13) Miscellaneous			\$	1,371,186
(14) Total Company Revenues per Income Statement =			\$	80,159,283



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

May 21, 2012

RE:

**RECEIVED** 

MAY 2 1 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the June billing cycle which begins May 31, 2012.

Please contact me if you have any questions about this filing.

Monthly Environmental Surcharge Report

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

162,996

0.57%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of April 2012

GROUP 1 (Total Revenue)		
Group 1 E(m) ES Form 1.10, line 16	=	\$ 117,114
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.37%
GROUP 2 (Net Revenue)		

Effective Date for Billing: June billing cycle beginning May 31, 2012

abmitted by:

Group 2 E(m) -- ES Form 1.10, line 16

Group 2 ES Billing Factor -- ES Form 1.10, line 18

Title: Director, Rates

Date Submitted: May 21, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of April 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR - DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

			11 Environmental mpliance Plans	2011 Environmental Compliance Plans
(1) RB		=	\$ 76,563,034	\$ 2,399,970
(2) RB / 12		=	\$ 6,380,253	\$ 199,998
(3) (ROR + (ROR - DR) (TR / (1 - TR)))		=	10.82%	10.37%
(4) OE		=	\$ 325,222	\$ 105,079
(5) BAS		=	\$ · <del>.</del>	Not Applicable
6) BR		=	\$ •	Not Applicable
7) E(m) (2) x (3) + (4) - (	5) + (6)	=	\$ 1,015,565	\$ 125,819
8) Total E(m) = sum of Pre-2011 E(m) + 2011	E(m)		\$ 1,141,384	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3,10	=	86,27%
(10)	· Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	984,672
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	704,561
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	280,111

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUI	2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.81%		58.19%
(16)	Group E(m) [(14) x (15)]	= \$	117,114	\$	162,996
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,619,522	\$	28,689,907
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	. =	0.37%		0.57%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2012

Determination of Environmental Compliance Rate Base

Determination of Brytoninettal Compilative Xiate Butt								
	Pre	-2011 Envirome	ntal C	Compliance Plans	2011 En	viromenta	l Com	pliance Plan
Eligible Pollution Control Plant	\$	76,130,659			\$	-		
Eligible Pollution CWIP Excluding AFUDC		9,131,045			2,3	61,696		
Subtotal			\$	85,261,704			\$	2,361,696
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		14,147						
Cash Working Capital Allowance		208,105				38,274		
Subtotal				222,252				38,274
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		5,072,222				-		
Pollution Control Deferred Income Taxes		3,848,700				-		
Subtotal				8,920,922				-
Environmental Compliance Rate Base			\$	76,563,034			\$	2,399,970

**Determination of Pollution Control Operating Expenses** 

- I I I I I I I I I I I I I I I I I I I	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s	
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 91,880	\$ 104,944
Monthly Depreciation & Amortization Expense	236,646	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,511	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 325,222	\$ 105,079

**Determination of Beneficial Reuse Operating Expenses** 

	Envir	onmental
	Compl	iance Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Proceeds	Amount in Base Rates	Net Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	-	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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	Deferred Tax Balance as of 4/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				- (2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$ 4,818,430 \$ 5,595,065		\$ 2,725 \$ -	\$ 4,306,274 \$ 5,136,896			\$ 10,067 \$ 10,300	
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$ 850,100 \$ 308,507 \$ -	\$ 133,190	\$ - \$ - \$ -	\$ 716,910 \$ 245,360 \$ -	\$ 115,480		\$ 2,564 \$ 1,147 \$ -	\$ 91
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 7,361,077		s -	\$ 5,752,228			\$ 22,206	1 -
Subtotal Less Retirements and Replacement resulting	\$ 18,933,180	\$ 2,778,238	\$ 2,725	\$ 16,157,668	\$ 2,497,633		\$ 46,283	\$ 2,042
from implementation of 2005 Plan	\$ (2,520,865)		\$ -	\$ (1,551,534)			\$ (5,253)	
Net Total - 2005 Plan:	\$ 16,412,315	\$ 1,808,906	\$ 2,725	\$ 14,606,134	\$ 2,112,938		\$ 41,030	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 405,717 \$ 317,435	\$ - \$ -	\$ 42,249,487 \$ 3,034,359 \$ 1,732,911 \$ 308,961	\$ 380,526 \$ 70,741	\$ 14,527	\$ 155,174 \$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 50,123,997 \$ -	\$ 3,171,344 \$ -	\$ 373,065 \$ -	\$ 47,325,718 \$ -	\$ 1,541,772 \$ -	\$ 14,527 \$ -	\$ 175,178 \$ -	\$ 5,947 \$ -
Net Total - 2006 Plan:	\$ 50,123,997	\$ 3,171,344	\$ 373,065	\$ 47,325,718	\$ 1,541,772	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ 9,594,347 \$ - \$ -	\$ - \$ 91,972 \$ - \$ -	\$ 1,177,752 \$ (56,208 \$ 4,893,466 \$ 2,740,245	\$ 9,446,167 \$ 4,893,466	\$ 193,990 \$ -		\$ - \$ 20,438 \$ - \$ -	\$ 180 \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 91,972 \$ -	\$ 8,755,255 \$ -	\$ 18,257,630 \$ -	\$ 193,990 \$ -		\$ 20,438	\$ 1,917 \$ -
Net Total - 2009 Plan:	\$ 9,594,347	\$ 91,972	\$ 8,755,255	\$ 18,257,630	\$ 193,990		\$ 20,438	\$ 1,917
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 5,072,222	\$ 9,131,045	\$ 80,189,483	\$ 3,848,700	\$ 14,527	\$ 236,646	5 \$ 9,712

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	Deferred Tax Balance as of 4/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s - s -	\$ - \$ -	\$ 2,269,966 \$ 91,729				\$ - \$ -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	s -	\$ 2,361,696	\$ 2,361,696	\$ - \$ -		s -	\$ 135 \$ -
Net Total - 2011 Plan:	\$ -	-	\$ 2,361,696	\$ 2,361,696	-	\$ -	\$ -	\$ 135
Net Total - All Plans:	\$ 76,130,659	\$ 5,072,222	\$ 11,492,741	\$ 82,551,179	\$ 3,848,700	\$ 14,527	\$ 236,646	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

**Inventory of Emission Allowances** 

For the Month Ended: April 30, 2012

Vintage Year	Nu	mber of Allowand	ces		Tot	al Dollar	Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂			NOx	NOx	
	_	Annual	Ozone Season				Annual	Ozone Season	
Current Year	148,752	10,010	7,299	\$	1,416.72	\$	13,374.00	\$ 865.1	3
2013	62,379								
2014	62,379								
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031	62,379								
2032 - 2041	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of April 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	154,442	0	5,690	0	0	148,752	
Dollars	\$ 1,470.91		\$ 54.19	\$ -	\$ -	\$ 1,416.72	
\$/Allowance	\$ 0.01		\$ 0.01		\$ -	\$ 0.01	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL	-			
Quantity	150,799	-	5,613		-	145,186	
Dollars	\$ 1,427.61	\$ -	\$ 53.46	\$ -	\$ -	\$ 1,374.15	
ALLOCATED A	ALLOWANCES FRO		FUELS 77		T -	3,566	
Dollars	\$ 43.30		\$ 0.73	s -	\$ -	\$ 42.57	
Donais	15.50	<u> </u>	0.75			13.07	
	FROM PURCHAS	SES:					
From Market:							
Quantity	-	<u> </u>	-			-	
Dollars	\$ -	\$ -	\$ -	-		-	
\$/Allowance	\$ -	\$ -	-	-	-	-	
E YOU			Т.		T	T	1
From KU						<u> </u>	
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ - \$ -	\$ -   \$ -	
\$/Allowance	-	-	-	-	- 1	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of April 2012

	Beginning	Allocations/	Utilized	Utilized	6.11	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY					
Quantity	7,299	0	0	0	0	7,299	
Dollars	\$ 865.13	\$ -	\$ -	\$ -	\$ -	\$ 865.13	
\$/Allowance	\$ 0.12	\$ -	\$ -	\$ -	\$ -	\$ 0.12	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	6,665	-	-	-	-	6,665	
Dollars	\$ 773.30	\$ -	\$ -	\$ -	\$ -	\$ 773.30	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	634		_	_	_	634	
Qualitity	034	-				77	
			\$ -	\$	\$ -	\$ 91.83	
				\$			
				\$			
Dollars		\$ -		\$ -			
Dollars  ALLOWANCES	\$ 91.83	\$ -		\$			
Dollars  ALLOWANCES From Market;	\$ 91.83	\$ -		\$	\$ -	\$ 91.83	
ALLOWANCES From Market: Quantity	\$ 91.83	ES:	\$ -		\$ -	\$ 91.83	
ALLOWANCES From Market: Quantity Dollars	\$ 91.83	ES: 0 s -	0 \$ -	0	\$ -	\$ 91.83	
ALLOWANCES From Market: Quantity Dollars	\$ 91.83  FROM PURCHAS  0 \$ -	ES: 0 \$ -	0	0 \$	0 \$ -	91.83	
ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 91.83	ES: 0 s -	0 \$ -	0 \$	0 \$ -	91.83	
ALLOWANCES From KU:	\$ 91.83 5 FROM PURCHAS  0 \$ - \$ -	ES: 0 s - s -	0 \$ -	0 \$	0 \$ -	\$ 91.83 0 \$ - \$ -	
ALLOWANCES From Market: Quantity Dollars \$//Allowance From KU: Quantity	\$ 91.83 <b>5 FROM PURCHAS</b> 0 \$ - \$ -	ES: 0 S - S - S - O O	\$ - 0 \$ - \$ -	0 \$ - \$ -	0 \$ -	\$ 91.83 0 \$ - \$ -	
Dollars	\$ 91.83 5 FROM PURCHAS  0 \$ - \$ -	ES: 0 s - s -	0 5 -	0 \$ - \$ -	0 \$ -	\$ 91.83 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2012

	Beginnin		Allocations/ Purchases	Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventor	у	Purchases	(Coal Fuel)		(Other ruels)		Sold		inventory	Sale Date & Village Tears
TOTAL EMISSIC	N ALLOWA	NCES	IN INVENTORY	ALL CLASSIE	ICAT	TIONS					
Quantity		1,141	0	1,08		51		0		10,010	
Dollars		85.08		\$ 1,511.0			\$		\$	13,374.00	
\$/Allowance	\$	1.34		\$ 1.4	0 \$	_	\$	_	\$	1.34	
p/1 1110 // 111100	1 4			1.	- 1 -		-	·····			
ALLOCATED AI	LOWANCE	S FRO	M EPA: COAL F	UEL							
Quantity	10	0,319	-	1,02	.5	_		-		9,294	
Dollars	\$ 14,8	85.08	\$ -	\$ 1,511.0	8 \$	-	\$	_	\$	13,374.00	
ALLOCATED AI	LOWANCE	S FRO 822	M EPA: OTHER		55	51	<del></del>		1	716	
Dollars	\$		\$ -	\$ -	\$		\$		\$	-	
Donaid			<u> </u>	1	Ť		1		1		
ALLOWANCES	FROM PUR	CHASE	ES:								
From Market:					<u> </u>	0	$\vdash$	0	├	-0	
Quantity	1	0	0		0	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s			10		
Dollars	\$	-	\$ -	\$ -	\$		\$		\$		
\$/Allowance	\$		\$ -	-	\$	-	1.3		1.3	-	
From KU:	T						T				
Quantity		0	0	1	0	0.	<del>                                     </del>	0	+		
	\$	-	\$ -	\$ -	-		\$		\$		
Dollars		- 1	Ψ =				\$		\$		
Dollars \$/Allowance	\$		\$ -	\$ -	\$	-	1.8	-	1.5	_	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2012

Envi	Environmental Compliance Plan						
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount					
11th Previous Month	\$ 148,079						
10th Previous Month	106,254						
9th Previous Month	170,289						
8th Previous Month	270,125						
7th Previous Month	174,545						
6th Previous Month	61,568						
5th Previous Month	104,274						
4th Previous Month	130,472	52,540					
3rd Previous Month	137,600	54,008					
2nd Previous Month	161,007	42,758					
Previous Month	108,745	51,942					
Current Month	91,880	104,944					
Total 12 Month O&M	\$ 1,664,839	\$ 306,192					

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,664,839	\$		306,192			
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8				
Pollution Control Cash Working Capital Allowance	\$	208,105	\$		38,274			

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2012

			m: 11 G	m . 1
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan	•			
502056-ECR Scrubber Operations			44,731.58	44,731.58
512055-ECR Scrubber Maintenance			-	_
Total 2005 Plan O&M Expenses			44,731.58	44,731.58
2006 Plan				
506159 - ECR Sorbent Injection Operation			1,386.63	1,386.63
506152 - ECR Sorbent Reactant - Reagent Only			-	-
512152 - ECR Sorbent Injection Maintenance			1,719.06	1,719.06
506150 - ECR Mercury Monitors Operation	(22.44)	(60.19)	1,388.76	1,306.13
512153 - ECR Mercury Monitors Maintenance	-			
502056 - ECR Scrubber Operations				-
512055 - ECR Scrubber Maintenance			28,024.99	28,024.99
506154 - ECR NOx Operation Consumables			-	
506155 - ECR NOx Operation Labor and Other			1,061.51	1,061.51
512151 - ECR NOx Maintenance			892.94	892.94
506051 - ECR Precipitator Operation			1,760.46	1,760.46
506151 - ECR Activated Carbon		-	-	-
512051 - ECR Precipitator Maintenance			10,997.17	10,997.17
Total 2006 Plan O&M Expenses	\$ (22.44)	(60.19)	47,231.52	47,148.89
2009 Plan				
502012 - ECR Landfill Operations			-	
512105 - ECR Landfill Maintenance	-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	-
Net 2009 Plan O&M Expenses			- 1	
Subtotal - Pre-2011 Plans	(22.44)	(60.19)	91,963.10	91,880.47
Subtotal - Pre-2011 Plans	[22.44]	[ (00.19)	91,905.10	91,000.47
2011 Plan				
502056 - ECR Scrubber Operations		-		-
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation		-	6,431.85	6,431.85
506152 - ECR Sorbent Reactant - Reagent Only		-	98,178,80	98,178.80
512152 - ECR Sorbent Injection Maintenance		-	333,44	333.4
506156 - ECR Baghouse Operations		-	-	-
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	-	-
Adjustment for Base Rates Baseline Amounts		_		
Total 2011 Plan O&M Expenses		- `	104,944.09	104,944.0
Current Month O&M Expense for All Plans	\$ (22.44)	\$ (60.19)	\$ 196,907.19   \$	196,824.5

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	- \$-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2012

Third Party	O&M Expense Account	Plant	Total O&M
	·		
,			
Total Monthly Be	neficial Reuse Expense		\$ -
	eneficial Reuse in Base Rates (from ES Form 2.6	1)	\$ -
Net Beneficial Re	use O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2012

On-Site CCP Disposal O&M Expense	Cane	Run	Mill Creek		Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$		\$		\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$	-	\$	-	\$ -	-
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$ -	\$ -
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	_	\$	_	\$ -	\$ -
Beneficial Reuse in Base Rates			11.11.11.11.11.11.11.11.11.11.11.11.11.			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$		\$ -	\$ -
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$		\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$	_	\$		T\$ -	1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)	J	Total Excluding Environmental Surcharge (7)-(6)			
May-11	\$ 17,737,681	\$ 5,602,741	\$ 639,978	\$ 534,474	\$ 243,308	\$ 24,758,182	\$	24,514,873			
Jun-11	25,146,037	8,665,166	1,773,309	1,016,250	523,262	\$ 37,124,023	\$	36,600,762			
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256			
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733			
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093			
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315			
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182			
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021			
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346			
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077			
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598			
Apr-12		5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,011			
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge,				Г	•			
	ng Current Expense Mor						\$	31,619,522			
		excluding Environmental			onth =		\$	75,632,473			
GROUP 1 Revenue	es as a Percentage of Tota	al Revenues for 12-mont	hs ending with the Currer	nt Month				41.81%			

	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	\$ 27,604,702	\$ 11,911,717	\$ 1,329,618	\$ 317,400	\$ 423,072	\$ 41,586,510	\$ 41,163,439	\$ 27,922,103				
Jun-11	32,147,653	13,819,406	2,664,211	398,792	682,917	\$ 49,712,979	\$ 49,030,062					
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853	\$ 49,982,421	\$ 49,259,568	\$ 32,083,031				
Aug-11	35,719,338	16,969,571	, 2,622,710	473,895	180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232				
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782				
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947				
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106				
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186				
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789				
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750				
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391				
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117				
	urisdictional Revenues, F ing Current Expense Mor		Surcharge and Fuel,				\$ 44,012,951	\$ 28,689,907				
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current Mo	onth =		\$ 75,632,473					
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			58.19%					

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: April 30, 2012

			D	D.	
		,	Revenues per		venues per
			Form 3.00	Incor	ne Statement
Kentuck	xy Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,940,813	\$	62,940,813
(2)	Fuel Adjustment Clause	\$	4,024,769	\$	4,024,769
(3)	DSM	\$	1,194,956	\$	1,194,956
(4)	Environmental Surcharge			\$	371,815
(5)	CSR Credits			\$	(89,096)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	68,160,538		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	10,846,289	\$	10,846,289
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	10,846,289		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	79,006,827		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		86.27%		
Reconc	iling Revenues			·	-
(10)	Brokered	\$		\$	
(11)	InterSystem (Transmission Portion Booked in Account 447)		1	\$	-
(12)	Unbilled			\$	(3,412,778)
(13)	Miscellaneous			\$	1,343,150
(14)	Total Company Revenues per Income Statement =			\$	77,219,918



PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

June 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July billing cycle which begins June 29, 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of May 2012

#### **GROUP 1 (Total Revenue)**

,			
Group 1 E(m) ES Form 1.10, line 16		=	\$ 184,417
Group 1 ES Billing Factor ES Form 1.10	, line 18	==	0.58%
	•		
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16		=	\$ 254,672
Group 2 ES Billing Factor ES Form 1.10	, line 18	=	0.89%

Effective Date for Billing: July billing cycle beginning June 29, 2012

Submitted by:

Title: Director, Rates

Date Submitted: June 19, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of May 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + OE - BAS + BR, where

RB = Environmental Compliance Rate Base

ROR = Rate of Return on the Environmental Compliance Rate Base

DR = Debt Rate (both short-term and long-term debt)

TR = Composite Federal & State Income Tax Rate

OE = Pollution Control Operating Expenses

BAS = Total Proceeds from By-Product and Allowance Sales

BR = Beneficial Reuse Operating Expenses

		11 Environmental mpliance Plans	2011 Environmental Compliance Plans
(1) RB	=	\$ 76,671,169	\$ 5,268,700
(2) RB / 12	=	\$ 6,389,264	\$ 439,058
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	==	10.82%	10.37%
(4) OE	. =	\$ 382,863	\$ 146,819
(5) BAS	=	\$ -	Not Applicable
(6) BR	=	\$ -	Not Applicable
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$ 1,074,181	\$ 192,349
(8) Total $E(m) = \text{sum of Pre-2011 } E(m) + 2011 E(m)$		\$ 1,266,530	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	92.09%
(10)	$\label{eq:Jurisdictional} \text{Jurisdictional Allocation Ratio}  \text{[(8) x (9)]}$	=	\$ 1,166,347
(11)	Adjustment for (Over)/Under-collection pursuant to	=	\$ -
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	727,258
(14)	Adjusted Net Jurisdictional E(m) [(10)+(11)+(12)-(13)]	=	439,089

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.00%	58,00%
(16)	Group E(m) [(14) x (15)]	= \$	184,417 \$	254,672
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	31,958,722 \$	28,638,103
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.58%	0.89%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Comphanice Rate Base									
·	Pre	Pre-2011 Environmental Compliance Plans			s 2011 Enviromental Compliance				
Eligible Pollution Control Plant	\$	76,130,659			\$	-			
Eligible Pollution CWIP Excluding AFUDC		9,606,192				5,212,090			
Subtotal			\$	85,736,851			\$	5,212,090	
Additions:	- Alie								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		13,404							
Cash Working Capital Allowance		208,207		Listan i		56,610			
Subtotal	Dr. o. C.			221,611				56,610	
Deductions:	438						-		
Accumulated Depreciation on Eligible Pollution Control Plant		5,314,121		1 ii   No. 1		-			
Pollution Control Deferred Income Taxes		3,973,172		131 ₀		-			
Subtotal				9,287,293				-	
Environmental Compliance Rate Base			\$	76,671,169			\$	5,268,700	

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 148,897	\$ 146,684
Monthly Depreciation & Amortization Expense	236,646	-
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,135	
Monthly Surcharge Consulting Fees	1,315.15	-
Construction Monitoring Consultant Fee		
Total Pollution Control Operations Expense	\$ 382,863	\$ 146,819

Determination of Beneficial Reuse Operating Expenses

·	Envi	ronmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total Amount in			Net	
	Proceeds Base Rates		es Proceeds		
	(1)		(2)		(1) - (2)
Allowance Sales	\$	- 1	\$ -	\$	-
Scrubber By-Products Sales		-	-		-
Total Proceeds from Sales	\$	-	\$ -	\$	-

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2012

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description	Eligible Plant In Service			Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2012		Monthly Amortization Credit	D	Monthly repreciation Expense	F	Monthly Property Tax Expense
	T T							(2)-(3)+(4)								
2005 Plan:												1				
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	4,818,430		524,948		63,805	\$	4,357,287		646,595			\$	, ,	\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	-,,	\$	468,469	\$	-	\$	5,126,596		374,390			\$	10,300	\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$		\$		\$	-	\$	714,346		117,435			\$	2,564		91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$	308,507		64,294	\$		\$	244,213		20,738			\$	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$	-	\$	-	\$	-	\$		\$	-			\$	-	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	. \$	7,361,077	\$	1,631,055	\$	• =	\$	5,730,022	\$	1,365,072	-		\$	22,206	\$	730
Subtotal	s	18,933,180	   e	2,824,521	<u> </u>	63,805	l e	16,172,464	   e	2,524,231			\$	46,283	•	2,042
Less Retirements and Replacement resulting	٦	10,733,100	•	2,024,321	,	03,003	1 4	10,172,404	1 3	2,324,231			9	40,203	٩	2,042
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	•	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	l s	16,412,315	S	1,855,189	\$	63,805	S	14,620,931	s	2,139,535			\$	41,030	s	1,848
		<del>'</del>	†		_		†			7 7 7						
2006 Plan: Project 18 - TC2 AQCS Equipment	s	44,236,424		2,515,175		438,776	\$	42,160,025		1,084,676	·	14,527	\$	155,174	,	5,303
Project 19 - Sorbent Injection	l s	3,440,076		415,494		450,770	\$	3,024,583		388,850	١ "	14,527	s	9,777		384
Project 20 - Mercury Monitors	1 0	2,050,346		326,302	\$	-	\$	1,724,044		71,790			\$	8,867		221
Project 21 - Mill Creek Opacity and Particulate Monitors	\$	397,151		89,551	\$	-	\$	307,600		79,829			\$	1,361		39
Project 21 - Min Creek Opacity and Particulate Monitors	3	397,131	1 3	15,50	) D	-	a	307,600	3	19,829			1 3	1,361	,	39
Subtotal	\$	50,123,997	\$	3,346,522	\$	438,776	\$	47,216,252	s	1,625,145	\$	14,527	\$	175,178	\$	5,947
Less Retirements and Replacement resulting				, ,	ı	•		, ,	1	, ,		•		•		,
from implementation of 2006 Plan	\$	_	\$	_	\$	_	\$	_	\$	_	\$	-	\$	_	\$	-
							İ								<u>i                                      </u>	
Net Total - 2006 Plan:	\$	50,123,997	\$	3,346,522	\$	438,776	\$	47,216,252	\$	1,625,145	\$	14,527	\$	175,178	\$	5,947
							Π									
2009 Plan:									1				1		1	
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	\$	-	\$	-	\$	1,183,078		. 1,183,078		-	ĺ		\$	-	\$	180
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,594,347		112,410	\$	37,582		9,519,519		208,492	İ		\$	20,438	\$	1,198
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	\$	-	\$	5,130,758		5,130,758		-			\$	-	\$	400
Project 25 - Beneficial Reuse	\$	-	\$	-	\$	2,752,192	\$	2,752,192	\$	-			\$	-	\$	138
Subtotal	8	9,594,347	1	112,410	\$	9,103,610	10	18,585,547	10	208,492	+-		10	20,438	10	1,917
Less Retirements and Replacement resulting	٦	2,224,347	"	112,410	•	3,103,610	1	147,000,147	1 4	200,492			*	20,436	"	1,917
from implementation of 2009 Plan	s	-	\$	-	\$	-	\$	_	\$	-			\$	-	\$	-
-					L								L		<u> </u>	
Net Total - 2009 Plan:	\$	9,594,347	\$	112,410	\$	9,103,610	\$	18,585,547	\$	208,492			\$	20,438	\$	1,917
			<del>_</del>		1		<u>Ļ</u>		Ļ		<u> </u>		<u> </u>		<u>Ļ</u>	<u> </u>
Subtotal - Pre-2011 Plans:	\$	76,130,659	1\$	5,314,121	1 \$	9,606,192	1\$	80,422,730	\$	3,973,172	\$	14,527	\$	236,646	\$	9,712
			1				1		1	•	1		1		1	

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2012

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 5/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	s - s -	\$ 5,055,456 \$ 156,633				\$ - \$ -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	\$ - \$ -	\$ 5,212,090 \$	\$ 5,212,090	\$ - \$ -	-	s - s -	\$ 135 \$ -
Net Total - 2011 Plan:	s -	-	\$ 5,212,090	\$ 5,212,090	\$ -	\$ -	s -	\$ 135
Net Total - All Plans:	\$ 76,130,659	\$ 5,314,121	\$ 14,818,281	\$ 85,634,819	\$ 3,973,172	\$ 14,527	\$ 236,646	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Inventory of Emission Allowances

For the Month Ended: May 31, 2012

Vintage Year	Nur	mber of Allowan	ces	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	141,980	8,661	5,950	\$ 1,352.22	\$ 12,761.35	\$ 705.24	
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
· 2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032 - 2041	623,790				<u> </u>		

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of May 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	148,752	0	6,772	0	0	141,980	
Dollars	\$ 1,416.72	\$ -	\$ 64.50		\$ -	\$ 1,352.22	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
477.0G4MMD 43	I OW ANGRO PRO		· · · · · · · · · · · · · · · · · · ·				
	LOWANCES FRO	DM EPA: COAL F			T	120.551	
Quantity Dollars	145,186 \$ 1,374.15	-	6,635	6	-	138,551 \$ 1,310.95	
Dollars	\$ 1,374.15	\$ -	\$ 63.20	\$ -	\$ -	\$ 1,310.95	
	L	L	L	L	L		
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS 137	T -	1 -	3,429	
Dollars		\$ -	\$ 1.30		\$ -	\$ 41.27	
Donars	42.57	Ψ -	1.50		-	71,27	
				1000			
	FROM PURCHAS	ES:		<b>,</b>	· · · · · · · · · · · · · · · · · · ·		
From Market:	·						
Quantity	-	· -	-		-	-	
Dollars	\$ -	-	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	\$ -	-	-	-		
D	1					T	
From KU							
Quantity		-	-	-	-		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	-	\$ -	\$ -	-	-	\$ -	
				,			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
				(3.11.12.12.1)			out of the section
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	7,299		1,304	45	0	5,950	
Dollars	\$ 865.13	\$ (0.00)	\$ 154.56	\$ 5,33	\$ -	\$ 705.24	
\$/Allowance	\$ 0.12	\$ -	\$ 0.12	\$ 0.12	\$ -	\$ 0.12	
	LLOWANCES FRO	T					
Quantity	6,665	-	1,244	-	-	5,421	
Dollars	\$ 773.30	\$ 16.68	\$ 147.45	\$ -	\$ -	\$ 642.53	Adjustment to reallocate allowance values based on unit cost
ATTOCATED A	Y Y OWA MORG ED	OM EDA - OTTED	EXTEX C				
	LLOWANCES FRO		FUELS 60	15	1	529	
Quantity Dollars	\$ 91.83			\$ 5.33			
Dollars	\$ 91.83	\$ (16.68)	\$ 7.11	\$ 5.33	-	\$ 62.71	Adjustment to reallocate allowance values based on unit cost
	<u> </u>	1	J	L		l	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:						I	
Quantity	0	0	0	0	0	0	
	\$ -	\$ -	0	\$ -	0	0	
Dollars							
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dollars \$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dollars \$/Allowance From KU:	\$ -	\$ - \$ -	\$ -	\$ -	\$ - \$ -	\$ -	
Quantity Dollars \$/Allowance From KU: Quantity Dollars	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	
Dollars \$/Allowance From KU: Quantity	\$ -	\$ -	\$ -	\$ - \$ -	\$ -	\$ -	
Dollars \$/Allowance  From KU: Quantity Dollars	\$ - \$ -	\$ - \$ - 0 \$ -	\$ - \$ - 0 \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of May 2012

	Beginning	Allocations/	Utilized	Utilized	0.11	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	N ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	ATIONS			
Quantity	10,010	0	1,304	45	0	8,661	
Dollars	\$ 13,374.00	\$ 1,375.00	\$ 1,987.65	\$ -	\$ -	\$ 12,761.35	
\$/Allowance	\$ 1.34	\$ -	\$ 1.52	\$ -	\$ -	\$ 1.47	
ALLOCATED AI	LOWANCES FRO	OM EPA: COAL F	UEL				·
Quantity	9,294	(50)	1,244	-	_	8,000	Inter-plant transfer of allowances (50)
Dollars	\$ 13,374.00	\$ -	\$ 1,987.65	\$ -	\$ -	\$ 12,761.35	
ALLOCATED AI	LOWANCES FRO	OM EPA: OTHER	FUELS 60	45	T -	661	Inter-plant transfer of allowances (50)
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Inter-plant dansfer of allowances (50)
Dollars			<u> </u>				
ALLOWANCES I	FROM PURCHAS	ES:					
Ouantity	0	0	0	0	0	0	
Dollars	\$ -	\$ 1,375.00	\$ -	\$ -	\$ -	\$ -	Brokerage fee related to Jan 2012 allowance purchase
\$/Allowance	\$ -	\$ 1,575.00	\$ -	\$ -	\$ -	\$ -	Diokotage for related to sail 2012 allowance purchase
471 LITO TTAILED	1 *	1	1		1 *	1 4	
From KU:							
Quantity	0	0	0	0	0	1	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		•					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2012

Environm	ental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 106,254	
10th Previous Month	170,289	
9th Previous Month	270,125	
8th Previous Month	174,545	,
7th Previous Month	61,568	
6th Previous Month	104,274	
5th Previous Month	130,472	52,540
4th Previous Month	137,600	54,008
3rd Previous Month	161,007	42,758
2nd Previous Month	108,745	51,942
Previous Month	91,880	104,944
Current Month	148,897	146,684
Total 12 Month O&M	\$ 1,665,657	\$ 452,876

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,665,657	\$		452,876					
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	208,207	\$		56,610					

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2012

O&M Expense Account	Cane	Run	Mill Creek	Trimble County	Total
2005 Plan					
502056-ECR Scrubber Operations				86,331.01	86,331.01
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses			ologijakon koji koji d	86,331.01	86,331.01
2006 Plan					
506159 - ECR Sorbent Injection Operation		·	1.1. 16 17 14 19 19	1,947.22	1,947.22
506152 - ECR Sorbent Reactant - Reagent Only				-	_
512152 - ECR Sorbent Injection Maintenance				988.07	988.07
506150 - ECR Mercury Monitors Operation		(247.51)	(663.76)	2,124.23	1,212.96
512153 - ECR Mercury Monitors Maintenance		- 1	-	_	-
502056 - ECR Scrubber Operations			-44	-	-
512055 - ECR Scrubber Maintenance			3	8,522.54	8,522.54
506154 - ECR NOx Operation Consumables			1	-	-
506155 - ECR NOx Operation Labor and Other			10 m	830.25	830,25
512151 - ECR NOx Maintenance			4.7	1,966.72	1,966.72
506051 - ECR Precipitator Operation				1,786.49	1,786.49
506151 - ECR Activated Carbon				5,163.34	~ 5,163.34
512051 - ECR Precipitator Maintenance				40,148.55	40,148.55
Total 2006 Plan O&M Expenses	\$	(247.51)	(663.76)	63,477.41	62,566.14
•	~				
2009 Plan					
502012 - ECR Landfill Operations		-		-	
512105 - ECR Landfill Maintenance		-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-		-	-
Net 2009 Plan O&M Expenses		-		-	-
Subtotal - Pre-2011 Plans		(247.51)	(663.76)	149,808,42	148,897.15
Subtotal - Fre-2011 Flails		(247,51)	(003.70)	145,000.42	140,077.13
2011 Plan	,				
502056 - ECR Scrubber Operations			-		
512055 - ECR Scrubber Maintenance		_			
506159 - ECR Sorbent Injection Operation			-	10,245.57	10,245.5
506152 - ECR Sorbent Reactant - Reagent Only			-	136,130.17	136,130.1
512152 - ECR Sorbent Injection Maintenance			-	307.94	307.94
506156 - ECR Baghouse Operations			-	-	-
512156 - ECR Baghouse Maintenance					-
506151 - ECR Activated Carbon			-	-	
Adjustment for Base Rates Baseline Amounts			-	146 602 52	-
Total 2011 Plan O&M Expenses			-	146,683.68	146,683.68
Current Month O&M Expense for All Plans	T\$	(247.51)  \$	(663,76)	\$ 296,492.10	\$ 295,580.83

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	Ψ.
(2) Monthly Amount [(1) / 12]	-	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	- 1\$	- 1\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M
ļ			
· ·			
	4 400		
Total Monthly Ben	eficial Reuse Expense		\$ -
	eficial Reuse in Base Rates (from ES Form	2.61)	\$ -
Net Beneficial Reus	se O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2012

On-Site CCP Disposal O&M Expense		Cane Run	Mill Creek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)	I					I
(1) 12 Months Ending with Expense Month	\$	-	\$ -	\$	-	\$ -
(2) Monthly Amount [(1) / 12]	\$	_	\$ _	\$	-	\$ -
2009 Plan Project 25			 			
(3) Monthly Amount (Expense/Revenue)	\$	-	\$ -	\$	-	\$ -
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	-	\$ -	\$	_	\$ -
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$		\$ -	\$	_	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$		\$ -	\$		\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$ -	\$		\$ -
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$ -	\$	_	\$ -
If Line (8) Greater than Zero, No Adjustment					`	
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	_	\$ -	\$	_	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)										
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)			
Jun-11	\$ 25,146,037	\$ 8,665,166	\$ 1,773,309	\$ 1,016,250	\$ 523,262	\$ 37,124,023	\$	36,600,762			
Jul-11	29,070,447	11,111,091	2,093,173	1,210,544	639,187	\$ 44,124,443	\$	43,485,256			
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733			
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093			
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315			
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182			
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021			
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346			
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077			
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	∙\$	26,372,598			
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012			
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267			
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.										
	Jurisdictional Revenues				onth =		\$	76,085,417			
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				42.00%			

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(8)	.(9)									
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM				
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)				
Jun-11				\$ 398,792	\$ 682,917							
Jul-11	31,666,233	14,463,421	2,713,117	416,798	722,853							
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792							
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818						
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815						
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183							
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162			\$ 25,065,186				
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181			\$ 27,062,789				
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750				
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961		\$ 26,612,391				
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117				
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465				
for 12 Months End	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.											
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current Mo	onth =		\$ 76,085,417					
	es as a Percentage of Tot						58.00%					

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: May 31, 2012

	Revenues per	Re	evenues per
	Form 3.00	Inco	me Statement
Kentucky Retail Revenues			
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 65,169,905	\$	65,169,905
(2) Fuel Adjustment Clause	\$ 4,567,763	\$	4,567,763
(3) DSM	\$ 1,375,971	\$	1,375,971
(4) Environmental Surcharge		\$	428,158
(5) CSR Credits		\$	(87,445)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 71,113,639		
Non -Jurisdictional Revenues			
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 6,106,375	\$	6,106,375
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 6,106,375		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$ 77,220,014		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	92.09%		
Reconciling Revenues			
(10) Brokered	\$ _	\$	-
(11) InterSystem (Transmission Portion Booked in Account 447)		\$	-
(12) Unbilled		\$	17,937,786
(13) Miscellaneous		\$	1,427,872
(14) Total Company Revenues per Income Statement =		\$	96,926,385



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

July 20, 2012

RE: Monthly Environmental Surcharge Report

Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010

RECEIVED

Louisville, Kentucky 40232 www.lge-ku.com

JUL **2 0** 2012

Robert M. Conroy

PUBLIC SERVICE Director - Rates T 502-627-3324 F 502-627-3213

robert.conroy@lge-ku.com

#### Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the July billing cycle which begins July 31, 2012.

With the approval from the Commission for the construction of Cane Run Unit 7 and pending the issuance of the final air permit for that unit, LG&E has discontinued work related to the construction of the new landfill at the Cane Run Generation Station (Project 22). If and when a final decision is made to cancel this project, the CWIP balance on ES Form 2.10 for Project 22 will be included as an expense on ES Form 2.50 in a future monthly filing.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of June 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 127,511
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.40%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 177,103
Group 2 ES Billing Factor ES Form 1.10. line 18	=	0.62%

Effective Date for Billing: August billing cycle beginning July 31, 2012

Submitted by:

Title: Director, Rates

Date Submitted: July 20, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of June 2012

#### Calculation of Total E(m)

			Environmental bliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	\$.	77,154,218	\$ 8,761,465
2) RB/12	= §	\$	6,429,518	\$ 730,122
3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		10.82%	10.37%
4) OE	= \$	\$	370,731	\$ 82,005
5) BAS	= \$	\$	-	Not Applicable
6) BR	= \$	\$	5,535	Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	\$	1,071,940	\$ 157,719
8) Total $E(m) = sum \text{ of Pre-2011 } E(m) + 2011 E(m)$	\$	\$	1,229,659	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	97.04%
(10)	$\label{eq:Jurisdictional} \text{Jurisdictional Allocation Ratio} \ \ [(8) \times (9)]$	= \$	1,193,261
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	888,647
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	304,614

Calculation of Group Environmental Surcharge Billing Factors

	-	GROUP	1 (Total Revenue) GRO	UP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.86%	58.14%
(16)	Group E(m) [(14) x (15)]	= \$	127,511 \$	177,103
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	31,957,675 \$	28,653,381
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.40%	0.62%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of June 2012

Determination of Environmental Compliance Rate Base

2 de la marie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la companie de la c								
	Pre-2011 Environmental Compliance Plans			2011 Enviromental Complianc			npliance Plan	
Eligible Pollution Control Plant	\$	76,130,659			\$	-		
Eligible Pollution CWIP Excluding AFUDC		10,453,740				8,694,622		
Subtotal			\$	86,584,399			\$	8,694,622
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	T	11,443						
Cash Working Capital Allowance	T	212,043				66,843		
Subtotal				223,486				66,843
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		5,556,021				-		
Pollution Control Deferred Income Taxes		4,097,646				-		
Subtotal				9,653,667				-
Environmental Compliance Rate Base			\$	77,154,218			\$	8,761,465

**Determination of Pollution Control Operating Expenses** 

	D 0011	0011
	Pre-2011	2011
-	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 136,939	\$ 81,870
Monthly Depreciation & Amortization Expense	236,646	
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,961	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 370,731	\$ 82,005

Determination of Beneficial Reuse Operating Expenses

Determination of Beneficial Reuse Operating Expenses		
	Envi	ronmental
	Compl	liance Plan
Total Monthly Beneficial Reuse Expense	\$	5,535
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	5,535

Proceeds From By-Product and Allowance Sales

110ceeds From By-110dict and Anowance Sales					
	Total	A	mount in	]	Net
	Proceeds Base I		ase Rates	Pro	ceeds
	(1)		(2)	(1)	- (2)
Allowance Sales	\$ -	\$	-	\$	-
Scrubber By-Products Sales	-		-		-
Total Proceeds from Sales	\$ -	\$	-	\$	-

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	Deferred Tax Balance as of 6/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$ 4,818,430 \$ 5,595,065 \$ 850,100	\$ 535,015 \$ 478,768 \$ 138,319	\$ -	\$ 4,414,754 \$ 5,116,297 \$ 711,781	\$ 379,968		\$ 10,067 \$ 10,300 \$ 2,564	\$ 646
Project 15 - Scrubber Returbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1		\$ 65,441 \$ -	\$ - \$ - \$ -	\$ 243,066 \$ - \$ 5,707,816	\$ 20,830 \$ -		\$ 2,564 \$ 1,147 \$ - \$ 22,206	\$ 31 \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ 18,933,180 \$ (2,520,865)	, ,	-	\$ 16,193,715 \$ (1,551,534)			\$ 46,283 \$ (5,253)	'
Net Total - 2005 Plan:	\$ 16,412,315	\$ 1,901,472	\$ 131,339	\$ 14,642,181	\$ 2,166,134		\$ 41,030	\$ 1.848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors  Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151 \$ 50,123,997 \$ -	\$ 425,270 \$ 335,170 \$ 90,912	\$ - \$ - \$ -	\$ 3,014,806 \$ 1,715,177 \$ 306,239	\$ 397,174 \$ 72,839 \$ 79,788		\$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221 \$ 39
Net Total - 2006 Plan:	\$ 50,123,997	\$ 3,521,700	\$ 489,622	\$ 47,091,919	\$ 1,708,519	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 132,848 \$ - \$ -	\$ 1,183,078 \$ (2,514 \$ 5,351,594 \$ 3,300,622	\$ 9,458,985 \$ 5,351,594	\$ 222,994 \$ -		\$ - \$ 20,438 \$ - \$ -	\$ 180 \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 132,840 \$ -	\$ 9,832,780	\$ 19,294,279 \$ -	\$ 222,994 \$ -		\$ 20,438 \$ -	\$ 1,917 \$ -
Net Total - 2009 Plan:	\$ 9,594,347	\$ 132,84	9,832,780	\$ 19,294,279	\$ 222,994		\$ 20,438	\$ 1,917
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 5,556,02	1 \$ 10,453,740	\$ 81,028,379	\$ 4,097,646	\$ 14,527	\$ 236,646	\$ 9,712

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	Deferred Tax Balance as of 6/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ - \$ -	\$ - \$ -	\$ 8,500,400 \$ 194,223				\$ - \$ -	\$ 135 \$ 1	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ - \$ -	s -	\$ 8,694,622 \$ -	\$ 8,694,622 \$ -	s -	·	\$ - \$ -	\$ 135 \$ -	
Net Total - 2011 Plan:	\$ -	S -	\$ 8,694,622	\$ 8,694,622	\$ -	\$ -	\$ -	\$ 135	
Net Total - All Plans:	\$ 76,130,659	5,556,021	\$ 19,148,363	\$ 89,723,001	\$ 4,097,646	\$ 14,527	\$ 236,646	\$ 9,848	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Please see the July 20, 2012 transmittal letter for the June 2012 expense filing concerning the status of Project 22.

Inventory of Emission Allowances

For the Month Ended: June 30, 2012

Vintage Year	Nur	nber of Allowand	ces	Tot	al Dolla	ar Value Of Vintage `	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	135,034	7,423	4,712	\$ 1,286.07	\$	10,937.25	\$ 558.50	
2013	62,379							
2014	62,379							
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379			•				
2019	62,379							
2020	62,379						•	
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379		-					
2030	62,379							
2031	62,379							
2032 - 2041	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of June 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	141,980	0	6,946	0			
Dollars				\$ -	\$ -	\$ 1,286.07	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	-	\$ -	\$ 0.01	
	*		*****	,			
	LLOWANCES FRO	DM EPA: COAL F		· · · · · · · · · · · · · · · · · · ·	T	101.701	
Quantity Dollars	138,551	-	6,830	0	-	131,721	
Dollars	\$ 1,310.95	\$ -	\$ 65.05	-	\$ -	\$ 1,245.90	
			l	L			
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	3,429	-	116	_	-	3,313	
Dollars		s -	\$ 1.10		\$ -	\$ 40.17	
	12.27		1111				
ALLOWANCES	FROM PURCHAS	ES:					
From Market:			1				
Quantity	-	-	-		-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$	\$ -	\$	\$ -	
From KU							
Quantity	-	-		-	-	-	
Dollars		\$ -	\$ -	\$ -	\$ -	\$ -	^
\$/Allowance	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
			·····				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of June 2012

	Beginning	T	Allocations/		Utilized		Utilized			Π	Ending	Allocation, Purchase, or	
	Inventory		Purchases		(Coal Fuel)		(Other Fuels)		Sold	L	Inventory	Sale Date & Vintage Years	
TOTAL EMISSION			IN INVENTORY	, AL		ATI							
Quantity	5,9		0		1,219		19		0	L	4,712		
Dollars		24		\$	144.48		2.26			\$			
\$/Allowance	\$ 0	12	\$ -	\$	0.12	\$	0.12	\$		\$	0.12		
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL													
Quantity 5,421 - 1,153 4,268													
Dollars	\$ 642		\$ -	\$	136.66	\$	-	\$	· -	9			
2 3			-	Ť-	100,00	Ť				Ť			
ALLOCATED A	ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS Ouantity 529 - 66 19 - 444												
Dollars		$\rightarrow$	\$ -	\$	7.82	\$	2,26	\$		+			
Dollars	3 02	./1	<u>ъ</u> -	1 3	7.02	3	2,20	J.	<del></del>	۲	, 52.05		
ALLOWANCES	FROM PURCE	IASE	ES:			_							
From Market:				<u> </u>				<u> </u>		+			
Quantity		0	. 0		0	<u> </u>	0	<u> </u>	0		0		
Dollars	Ψ	-	\$ -	\$	-	\$		\$	_	15			
\$/Allowance	\$		\$ -	\$		\$	-	\$	-	Ŀ	\$ -	L.,	
D 7677	T			1		1		т		1			
From KU:				+	^	1	^	-	0	+	. 0		
Quantity	<del> </del>	0	0	_	0		0	\$		-	<b>.</b>		
Dollars	1	-	\$ - \$ -	\$		\$		\$	-	_			
\$/Allowance	1.2	1	\$ -	1.2		1.5	-	1.5	<u>-</u>	1	S -		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2012

	Beg	ginning	A	llocations	5/	Utilize	ed		Utilized			Т	Ending	Allocation, Purchase, or
		entory	F	Purchases		(Coal Fr	uel)	(C	ther Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALL	OWANCES	SINI	NVENT	ORY,	ALL CLA	SSIFIC	ATIONS						
Quantity		8,661			0		1,219			19		0	7,423	
Dollars	\$	12,761.35	\$		-	\$ 1,	824.10	\$		-	\$ 		\$ 10,937.25	
\$/Allowance	\$	1.47	\$		-	\$	1.50	\$		1	\$ -		\$ 1.47	
	•													,
ALLOCATED A	LLOWA	NCES FRO	)M E	PA: COA	LFU	UEL								
Quantity		8,000			-		1,153		,	-	_		6,847	
Dollars	\$	12,761.35	\$		-	\$ 1,	824.10	\$		-	\$ 		\$ 10,937.25	
artic victoria (recent)														
ALLOCATED A	LLOWA	NCES FRO	OM E	PA: OTI	ER I	FUELS								
Quantity		661			-		66			19			576	
Dollars	\$		\$		-	\$	-	\$		-	\$ _		\$ -	
												$_{\perp}$		
ALLOWANCES	FROM	PURCHAS	ES:										,	
From Market:												_		
Quantity		0			0		0			0		0	0	
Dollars	\$	-	\$			\$		Ψ			\$ _		\$ -	
\$/Allowance	\$		\$		_	\$	-	\$			\$ 		\$ -	
***************************************														
From KU:														
Quantity		0			0		0			0		0 .		
Dollars	\$	-	\$		-	\$	-	\$			\$ -		\$	
\$/Allowance	\$	-	\$		-	\$	-	\$		-	\$ -		\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2012

En	vironmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 170,289	
10th Previous Month	270,125	
9th Previous Month	174,545	
8th Previous Month	61,568	
7th Previous Month	104,274	
6th Previous Month	130,472	. 52,540
5th Previous Month	137,600	54,008
4th Previous Month	161,007	42,758
3rd Previous Month	108,745	51,942
2nd Previous Month	91,880	104,944
Previous Month	148,897	146,684
Current Month	136,939	81,870
Total 12 Month O&M	\$ 1,696,342	\$ 534,746

Determination of Working Capital Allowance											
12 Months O&M Expenses	\$	1,696,342	\$		534,746						
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8							
Pollution Control Cash Working Capital Allowance	\$	212,043	\$		66,843						

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2012

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
0005 Plan				
502056-ECR Scrubber Operations		:	62,025,50	62,025.50
512055-ECR Scrubber Maintenance			-	-
Total 2005 Plan O&M Expenses			62,025.50	62,025.50
2006 Plan				
506159 - ECR Sorbent Injection Operation			2,076.84	2,076.84
506152 - ECR Sorbent Reactant - Reagent Only			14,811.05	14,811.05
512152 - ECR Sorbent Injection Maintenance			561.44	561.44
. 506150 - ECR Mercury Monitors Operation	1,191.52	3,195.43	759.50	5,146.45
512153 - ECR Mercury Monitors Maintenance	-	-	- :	
502056 - ECR Scrubber Operations			15,130.07	15,130.07
512055 - ECR Scrubber Maintenance		1	10,279.18	10,279.18
506154 - ECR NOx Operation Consumables			14,870.94	14,870.94
506155 - ECR NOx Operation Labor and Other		1	1,265.46	1,265.46
512151 - ECR NOx Maintenance			621.04	621.04
506051 - ECR Precipitator Operation			1,405.05	1,405.05
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance			8,745.80	8,745.80
Total 2006 Plan O&M Expenses	\$ 1,191.52	3,195.43	70,526.37	74,913.32
2009 Plan				
502013 - ECR Landfill Operations	_		-	-
512107 - ECR Landfill Maintenance	-		-	_
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	_		-	-
Net 2009 Plan O&M Expenses	-		-	-
		<del></del>		
Subtotal - Pre-2011 Plans	1,191.52	3,195.43	132,551.87	136,938.82
2011 Plan				
502056 - ECR Scrubber Operations		_	: 11	-
512055 - ECR Scrubber Maintenance				
506159 - ECR Sorbent Injection Operation			7,858.43	7,858,4
506159 - ECR Sorbent Injection Operation 506152 - ECR Sorbent Reactant - Reagent Only			73,659.62	73,659.6
512152 - ECR Sorbent Injection Maintenance			351.92	351.9
506156 - ECR Baghouse Operations			331.92	331.7
				<u>-</u>
512156 - ECR Baghouse Maintenance		-		<u>-</u>
506151 - ECR Activated Carbon				
Adjustment for Base Rates Baseline Amounts Total 2011 Plan O&M Expenses			81,869.97	81,869.9
Total 2011 Plan O&M Expenses			01,007.97	01,009.9

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	· \$
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
(2) Monthly Amount [(1) / 12]		· 5 -
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		
[A J. A. D. D. D. A. D. A. D. D. D. D. D. D. D. D. D. D. D. D. D.	T 6	
Adjustment for Base Rate Amount (to ES Form 2.50)	- \$	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2012

Third Party	O&M Expense Account	Plant	Т	otal O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County		5,535.22
	DOI 200 DOINT JUNE DISPOSAL	Transic County		3,333,22
Total Monthly Be	eneficial Reuse Expense		\$	5,535.22
	eneficial Reuse in Base Rates (from ES For	m 2.61)	\$	-
Net Beneficial Re	use O&M Expense		\$	5,535.22

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: June 30, 2012

On-Site CCP Disposal O&M Expense	Can	e Run	Mi	ll Creek	Tr	imble County		Total
Title Description of the Control of the Description			T					
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)							0	
(1) 12 Months Ending with Expense Month	\$		\$		\$		\$	<del>_</del>
(2) Monthly Amount [(1) / 12]	\$	- ,	\$	-	\$		\$	
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	-	\$	5,535.22	\$	5,535.22
Total Beneficial Reuse - Generating Station					-			
(4) Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	5,535.22	\$	5,535.22
Beneficial Reuse in Base Rates					_			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	_	\$	(210,822.03)	\$	(210,822.03)
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	-	\$	(17,568.50)	\$.	(17,568.50)
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	_	\$		\$	23,103.72	\$	23,103.72
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$	17,568.50	\$	17,568.50
If Line (8) Greater than Zero, No Adjustment					-		-	
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2.60)	T \$		T\$		T \$		T \$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Conroy

### LOUISVILLE GAS AND ELECTRIC 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 Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)
Jul-11	\$ 29,070,447	\$ 11,111,091	\$ 2,093,173	\$ 1,210,544	\$ 639,187	\$ 44,124,443	\$	43,485,256
Aug-11	33,399,998	12,974,166	1,968,910	1,417,659	91,996	\$ 49,852,729	\$	49,760,733
Sep-11	26,354,514	• 9,870,751	1,052,813	1,075,015	.73,129	\$ 38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,201
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge,		•			
for 12 Months Endi	ing Current Expense Mor	nth.					\$	31,957,675
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current Me	onth =		\$	76,344,272
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.86%

			GRC	UP 2 (Net Revenues) - I	Centucky Jurisdictional R	Levenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Jul-11	\$ 31,666,233	\$ 14,463,421	\$ 2,713,117	\$ 416,798	\$ `722,853		\$ 49,259,568	
Aug-11	35,719,338	16,969,571	2,622,710	473,895	180,792	\$ 55,966,305		
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818		
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Apr-12		13,543,423	2,804,987	478,677	234,914		\$ 43,732,527	\$ 27,384,117
May-12		12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465
Jun-12	1 / /			. 611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777
		Excluding Environmental	Surcharge and Fuel,					
	ing Current Expense Mor						\$ 44,386,597	
		excluding Environmental			onth =		\$ 76,344,272	
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			58.14%	

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2012

		Revenues per	Re	evenues per
		Form 3.00	Inco	me Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)		\$ 81,263,990	\$	81,263,990
(2) Fuel Adjustment Clause		\$ 5,712,984	\$	5,712,984
(3) DSM		\$ 1,760,110	\$	1,760,110
(4) Environmental Surcharge			\$	337,054
(5) CSR Credits			\$	(249,422)
(6) Total Kentucky Jurisdictional Revenues for Environmen	al Surcharge Purposes =	\$ 88,737,084		
Non -Jurisdictional Revenues				
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)		\$ 2,702,388	\$	2,702,388
(8) Total Non-Jurisdictional Revenues for Environmen	al Surcharge Purposes =	\$ 2,702,388		
(9) Total Company Revenues for Environmen	tal Surcharge Purposes =	\$ 91,439,472		
	•			٠
Jurisdictional Allocation Ratio for Curre	nt Month $[(5)/(8)] = $	97.04%		
			1	
Reconciling Revenues				
(10) Brokered		\$ -	\$	-
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12) Unbilled			\$	3,967,063
(13) Miscellaneous			\$	1,950,705
(14) Total Company Revenues per Income Statement =			\$	97,444,872



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

AUG 2 0 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

August 20, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the September 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 LG&E'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,

Robert M. Conroy

Enclosures

#### 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

**!TAGE PROJECT #:** 

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	<b>多型的数</b>
	February		\$260	\$0.00		\$0.00	
	March		\$260	\$0.00	•	\$0.00	
	April		\$260	\$0.00		\$0.00	
l	May	5	\$260	\$1,300.00		\$1,300.00	<b>种温度温度</b>
Chuck Buechel	January	3	\$240	\$720.00		\$720.00	
	February		\$240	\$0.00		\$0.00	<b>建筑</b>
	March		\$240	\$0.00		\$0.00	
· I	April		\$240	\$0.00		\$0.00	
	May	· 10	\$240	\$2,400.00	\$100.00	<ul><li>\$2,500.00</li></ul>	
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	你的關係的自
TOTAL FEES						1	\$10,000.00
TOTAL PERSONAL	EXPENSES					****	\$749.70

OVERNIGHT MAIL COPYING - Black/White

COPYING - Color MISCELLANEOUS

Invoice Amount

\$0.00 \$0.00 \$0.00

\$10,749.70

\$10,749.70

#### TOTAL MONTHLY INVOICE AMOUNT

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

#### **PLEASE REMIT TO:**

Vantage Energy Consulting, LLC.

21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of July 2012

### GROUP 1 (Total Revenue)

Group 1 E(m) ES Form 1.10, line 16	=	\$ 116,761
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.36%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 161,838
Group 2 ES Billing Factor ES Form 1.10, line 18	=	0.56%

Effective Date for Billing: September billing cycle beginning August 30, 2012

Submitted by:

Title: Director, Rates

Date Submitted: August 20, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of July 2012

#### Calculation of Total E(m)

E(m) = [(RB / 12) (ROR+(ROR -DR)(TR/(1-TR)))] + ÓE - 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

					11 Environmental mpliance Plans	2011 Environmental Compliance Plans				
(I) RB			=	\$	77,628,085	\$	24,869,986			
(2) RB/12			=	\$	6,469,007	\$	2,072,499			
	- DR) (TR / (1 - TR)))		==		10.82%		10.37%			
(4) OE			=	\$	406,581	\$	62,236			
(5) BAS			=	\$	-		Not Applicable			
(6) BR			=	\$	19,165		Not Applicable			
(7) E(m)	(2) x (3) + (4) - (5) + (6)		=	\$	1,125,692	\$	277,154			
(8) Total E(m) = s	sum of Pre-2011 E(m) + 2011 E(m)			.\$	1,402,846					

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96.37%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(8) \times (9)]$	= \$	1,351,923
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	= .	1,073,324
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	278,599
ì			•

Calculation of Group Environmental Surcharge Billing Factors

dioup i	Environmental Surcharge Bining Pactors				
		GROUP	1 (Total Revenue)	GR	OUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.91%		58.09%
(16)	Group E(m) [(14) x (15)]	= \$	116,761	\$	161,838
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,445,432	\$	28,937,022
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.36%		0.56%

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of July 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Comphance Nate Base							- T	
	Pre	-2011 Envirome	ntal C	2011	Enviromenta	al Co	mpliance Plan	
Eligible Pollution Control Plant	\$	76,130,659			\$	1,965,028		
Eligible Pollution CWIP Excluding AFUDC		11,295,991			2	2,892,109		
Subtotal			\$	87,426,650			\$	24,857,137
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		9,093						
Cash Working Capital Allowance		212,317				74,843		
Subtotal				221,410				74,843
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		5,797,920				3,152		
Pollution Control Deferred Income Taxes		4,222,055				58,842		
Subtotal				10,019,975				61,994
Environmental Compliance Rate Base			\$	77,628,085			\$	24,869,986

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 172,483	\$ 64,001
Monthly Depreciation & Amortization Expense	236,646	3,152
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,267	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		5,052
Total Pollution Control Operations Expense	\$ 406,581	\$ 62,236

Determination of Beneficial Reuse Operating Expenses

Determination of Beneficial Reuse Operating Expenses		
	Env	ironmental
	Comp	oliance Plan
Total Monthly Beneficial Reuse Expense	\$	19,165
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	19,165

Proceeds From By-Product and Allowance Sales

	Total		Ar	nount in	Net
	Pr	oceeds	Ba	ise Rates	Proceeds
	(1)			(2)	(1) - (2)
Allowance Sales	\$		\$	-	\$ -
Scrubber By-Products Sales		-		-	-
Total Proceeds from Sales	\$	-	\$	-	\$ -

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2012

(1)	(2)			(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description	Eligib Plant . Servi	In		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2012		Monthly Amortization Credit	D	Monthly repreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)								
2005 Plan:	·															
Project 11 - Special Waste Landfill Expansion at Mill Creek	s	4,818,430	\$	545,081	\$	197,764	\$	4,471,113	\$	651,985			\$	10,067	\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station		5,595,065		489,068	\$	(3,005)	\$	5,102,992	\$	385,482			\$	10,300	\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$		\$ .	140,884	\$	-	\$		\$	121,346			\$		\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s		\$	66,588	\$		\$	241,920		20,923			\$	1,147	\$	. 31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s	500,507	\$	-	s	_	\$	- 11,720	\$				\$	_	\$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1	1 -	7,361,077	-	1,675,467	\$		\$	5,685,611		1,397,627			\$	22,206	\$	730
Project 16 - Scrubber Improvements at Trimble County Ont 1	3	7,301,077	a a	1,075,407	1	-	J	3,003,011	"	1,377,027			۱	22,200	"	,,,,
Subtotal	\$ 1	8,933,180	\$	2,917,087	\$	194,759	\$	16,210,852	\$	2,577,363			\$	46,283	\$	2,042
Less Retirements and Replacement resulting		, ,							1	, .						
from implementation of 2005 Plan	\$ (	(2,520,865)	\$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	\$ 1	6,412,315	\$	1,947,756	\$	194,759	\$	14,659,318	\$	2,192,668			\$	41,030	\$	1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$	14,236,424 3,440,076 2,050,346 397,151	\$ \$	2,825,522 435,047 344,037 92,273	\$ \$	511,786 - - -	\$ \$ \$	41,922,687 3,005,030 1,706,310 304,878	\$	1,232,759 405,498 73,888 79,747	\$	14,527	\$ \$ \$	155,174 9,777 8,867 1,361	\$	5,303 384 221 39
Subtotal	S 5	50,123,997	\$	3,696,878	S	511,786	\$	46,938,905	\$	1,791,892	\$	14,527	\$	175,178	\$	5,947
Less Retirements and Replacement resulting from implementation of 2006 Plan	s	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$		\$	-
					<u> </u>				<u> </u>		<u> </u>				<u> </u>	
Net Total - 2006 Plan:	\$ 5	50,123,997	\$	3,696,878	\$	511,786	\$	46,938,905	\$	1,791,892	\$	14,527	\$	175,178	1 \$	5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ .\$	- 9,594,347 - -	\$ \$	153,286 -	\$ \$ \$	1,185,065 76,958 5,611,193 3,716,230	\$	- 1,185,065 9,518,019 5,611,193 3,716,230	\$	- 237,495 - -			\$ \$ \$	- 20,438 - -	\$ \$ \$	180 1,198 400 138
									_	-					<u> </u>	
Subtotal Less Retirements and Replacement resulting	S	9,594,347	\$	153,286	\$	10,589,446	\$	20,030,507	\$	237,495			\$	20,438	\$	1,917
from implementation of 2009 Plan	\$	-	2	-	3	-	13	-	P				P		J	
Net Total - 2009 Plan:	\$	9,594,347	\$	153,286	\$	. 10,589,446	\$	20,030,507	\$	237,495			\$	20,438	\$	1,917
Subtotal - Pre-2011 Plans:	S	76,130,659	\$	5,797,920	\$	11,295,991	\$	81,628,730	\$	4,222,055	15	14,527	\$	236,646	\$	9,712
2.0 2.11 1.10.0.	<del></del>		<del>†</del>		+		<del>† -</del>		<del>                                     </del>		†		T		T	

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	Deferred Tax Balance as of 7/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				l
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 1,965,028 \$ -	\$ 3,152 \$ -	\$ 21,833,425 \$ 1,058,683				\$ 3,152 \$ -	\$ 135 \$ 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 1,965,028 \$ -	\$ 3,152 \$ -	\$ 22,892,109 \$ -	\$ 24,853,984 \$ -	\$ 58,842		\$ 3,152 \$ -	\$ 135 \$ -
Net Total - 2011 Plan:	\$ 1,965,028	\$ 3,152	\$ 22,892,109	\$ 24,853,984	\$ 58,842	\$ -	\$ 3,152	\$ 135
Net Total - All Plans:	\$ 78,095,687	\$ 5,801,072	\$ 34,188,099	\$ 106,482,714	\$ 4,280,897	\$ 14,527	\$ 239,799	\$ 9,848

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Inventory of Emission Allowances

For the Month Ended: July 31, 2012

Vintage Year	Nun	nber of Allowand	ces	Tot	al Dollar Val	ue Of Vintage	Year		Comments and Explanations
_	SO ₂	NOx	NOx	SO ₂	1	VОх		NOx	
		Annual	Ozone Season		A	nnual	Oz	one Season	
Current Year	126,896	5,939	3,230	\$ 1,208.56	\$	8,750.68	\$	382.85	
2013	62,379								
2014	62,379								
2015	62,379	,							
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379							,	
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								,
2031	62,379								
2032 - 2041	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of July 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or					
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years					
TOTAL EMISSIO	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS								
Quantity	135,034	0	8,138	0	0	126,896						
Dollars	\$ 1,286.07	\$ -	\$ 77.51	\$ -	\$ -	\$ 1,208.56						
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01						
	ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity	131,721	_	7,958		-	123,763						
Dollars	\$ 1,245.90	\$ -	\$ 75.79	\$	\$ -	\$ 1,170.11	·					
ALLOCATED AI Quantity Dollars	3,313 \$ 40.17	-	FUELS 180 \$ 1.72	-   \$ -	-   \$ -	3,133 \$ 38.45						
Dollars	\$ 40.17	3 -	1.72	3 -	3 -	3 30.43						
From Market:	FROM PURCHAS	ES:										
Quantity	-	_	-	-	-	-						
Dollars	\$ -	\$ -	\$ -	\$	\$ -	\$ -						
\$/Allowance	-	\$ -	\$ -	-	\$ -	-						
	<b>,</b>											
From KU												
Quantity	-	-	-	-		-						
Dollars	\$ -	\$ -	\$ -	\$ -	\$	\$						
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of July 2012

	Beginning	T	Allocations/	Utilized		Utilized	,		Г	Ending	Allocation, Purchase, or
	Inventory		Purchases	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANC	ES IN	INVENTORY,	ALL CLASSIFIC	ATI	ONS					
Quantity	4,71	2	(47)	1,412		23		0		3,230	
Dollars	\$ 558.5	) \$	(5.57)		\$	2.72	\$	-	\$	382.85	
\$/Allowance	\$ 0.1	2 \$	0.12	\$ 0.12	\$	0.12	\$	-	\$	0.12	
ALLOCATED AI	LLOWANCES FI	ROM I	EPA: COAL FU								
Quantity	4,26	8	(36)			**		-			Preliminary true-up for year-to-date emissions
Dollars	\$ 505.8	7 \$	(4.27)	\$ 159.54	\$		\$	_	\$	342.06	
ALLOCATED AT	LLOWANCES F	ROM I	EPA: OTHER								
Quantity	44		(11)	66		23		-	L	344	Preliminary true-up for year-to-date emissions
Dollars	\$ 52.6	3 \$	(1.30)	\$ 7.82	\$	2.72	\$	-	\$	40.79	
					<u> </u>				上		
ALLOWANCES	FROM PURCHA	SES:							_		
From Market:					_				_		
Quantity		0	0	0		0		0		0	
Dollars	- \$	\$	-	\$ -	\$		\$		\$		
\$/Allowance	- \$	\$	-	-	\$	-	\$	-	\$	-	
									_		
From KU:					_				1		
Quantity		0	0	0		0		0	_	0	
Dollars	\$ -	\$	-	\$ -	\$	-	\$		\$		
\$/Allowance	\$ -	\$		\$ -	\$		\$		\$	<u> </u>	
											•

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of July 2012

	Beginning		Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory		Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	•							
TOTAL EMISSI	ON ALLOWAI	ICES I	N INVENTORY,	, ALL CLASSIFIC	ATIONS			
Quantity	7,	423	(54)	1,412	18	0	5,939	
Dollars		7.25 \$				\$ -	\$ 8,750.68	
\$/Allowance	\$	.47 \$	1.47	\$ 1.49	\$ -	\$ -	\$ 1.47	•
ALLOCATED A								
Quantity		847	(41)		-	-		Preliminary true-up for year-to-date emissions
Dollars	\$ 10,93	7.25 \$	(79.57)	\$ 2,107.00	\$ -	\$ -	\$ 8,750.68	
	* * 0****	TD 01	TEN OWNERS	WYTHY C				
ALLOCATED A	LLOWANCES	FROM	A EPA: OTHER	FUELS				
			(10)		10		450	
		576	(13)	66	18	-		Preliminary true-up for year-to-date emissions
Quantity Dollars				\$ -	\$ -	- \$ -	\$ -	
		576						Preliminary true-up for year-to-date emissions
Dollars	\$	576	5 -					
Dollars  ALLOWANCES	\$	576	5 -					
Dollars  ALLOWANCES From Market:	\$	576	S:	\$ -	\$ -	\$ -	\$ -	
ALLOWANCES From Market: Quantity	\$ FROM PURC	576   S	S: 0	\$ -	0	\$ -	0	
ALLOWANCES From Market: Quantity Dollars	FROM PURC	576 - \$ HASES 0 - \$	\$ - S: 0 \$ -	0 \$ -	0 \$ -	0 \$ -	0 \$ -	
ALLOWANCES From Market: Quantity Dollars	\$ FROM PURC	576 - \$ HASES 0 - \$	S: 0	\$ -	0	\$ -	0	
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURC	576 - \$ HASES 0 - \$	\$ - S: 0 \$ -	0 \$ -	0 \$ -	0 \$ -	0 \$ -	
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	FROM PURC	576 - \$	5: 0 \$ - \$ -	0 \$ -	0 \$ -	0 \$ -	\$ - 0 \$ - \$ -	
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURC	576 - 3 HASES 0 - 3 - 3	5: 0 \$ - \$ -	0 \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	0 \$ -	
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURC	576 - 3  HASES  0 - 3  - 3	5: 0 \$ -	\$ - 0 \$ - \$ -	0 \$ -	0 \$ -	\$ - 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2012

Env	vironmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 270,125	
10th Previous Month	174,545	
9th Previous Month	61,568	
8th Previous Month	104,274	
7th Previous Month	130,472	52,540
6th Previous Month	137,600	54,008
5th Previous Month .	161,007	42,758
4th Previous Month	108,745	51,942
3rd Previous Month	91,880	104,944
2nd Previous Month	148,897	146,684
Previous Month	136,939	81,870
Current Month	172,483	64,001
Total 12 Month O&M	\$. 1,698,536	\$ 598,747

Determination of Working Capital Allowance									
12 Months O&M Expenses	· \$	1,698,536	\$	·	598,747				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8					
Pollution Control Cash Working Capital Allowance	\$	212,317	\$	·-	74,843				

Pollution Control - Operations & Maintenance Expenses For the Month Ended: July 31, 2012

O&M Expense Account	Cane	Run	Mill Creek	Trimble County	Total
:005 Plan					
502056-ECR Scrubber Operations				59,177.74	59,177.74
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses				59,177.74	59,177.74
2006 Plan				•	
506159 - ECR Sorbent Injection Operation				4,150.21	4,150.21
506152 - ECR Sorbent Reactant - Reagent Only				12,971.16	12,971.16
512152 - ECR Sorbent Injection Maintenance				191.30	191.30
506150 - ECR Mercury Monitors Operation		(1,122.22)	(3,009.58)	2,291.47	(1,840.33)
512153 - ECR Mercury Monitors Maintenance		-	-	-	-
502056 - ECR Scrubber Operations				20,948.60	20,948.60
512055 - ECR Scrubber Maintenance				6,330.17	6,330.17
506154 - ECR NOx Operation Consumables				28,827.04	28,827.04
506155 - ECR NOx Operation Labor and Other				1,033.42	1,033.42
512151 - ECR NOx Maintenance				486.97	486.97
506051 - ECR Precipitator Operation				1,946.88	1,946.88
506151 - ECR Activated Carbon				36,117.48	36,117.48
512051 - ECR Precipitator Maintenance				2,142.70	2,142.70
Total 2006 Plan O&M Expenses	\$	(1,122.22)	(3,009.58)	117,437.40	113,305.60
2009 Plan					
502013 - ECR Landfill Operations		_		-	-
512107 - ECR Landfill Maintenance		_		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		_		-	-
Net 2009 Plan O&M Expenses		-		-	-
Subtotal - Pre-2011 Plans		(1,122.22)	(3,009.58)	176,615.14	172,483.34
2011 Plan					
502056 - ECR Scrubber Operations			-		-
512055 - ECR Scrubber Maintenance			-		-
506159 - ECR Sorbent Injection Operation			-	18,522.42	18,522.42
506152 - ECR Sorbent Reactant - Reagent Only			-	45,217.87	45,217.8
512152 - ECR Sorbent Injection Maintenance			-	260.48	260.4
506156 - ECR Baghouse Operations			-	-	-
512156 - ECR Baghouse Maintenance			-	-	-
506151 - ECR Activated Carbon			-	-	
Adjustment for Base Rates Baseline Amounts			-		
Total 2011 Plan O&M Expenses			_	64,000.77	64,000.7
Current Month O&M Expense for All Plans	1\$	(1,122,22)  \$	(3,009.58)	\$ 240,615.91   \$	236,484.1

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: July 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Olf-Site CCF Disposal Owlvi Expense	Cane Kun	1 Timble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	1	
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: July 31, 2012

Third Party	O&M Expense Account	Plant	7	Total O&M
Charak Inc	501252 ECD Ely Art Discool	Twinkle County		10.165.04
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County		19,165.04
			-	
·				
Total Monthly F	Beneficial Reuse Expense		\$	19,165.04
	Beneficial Reuse in Base Rates (from ES For	m 2.61)	\$	-
Net Beneficial F	Reuse O&M Expense		\$	19,165.04

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: July 31, 2012

0. 6% 000 5% 100 45	O P	NGILO 1	T: 11 C	m . 1
On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	-	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	-	\$ 19,165.04	\$ 19,165.04
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 19,165.04	\$ 19,165.04
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	-	-	\$ (210,822.03)	\$ (210,822.03)
(6) Monthly Expense Amount [(5) / 12]	\$ -	-	\$ (17,568.50)	\$ (17,568.50)
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	\$ -	\$ 36,733.54	\$ 36,733.54
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ 17,568.50	\$ 17,568.50
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	\$ -	-	\$ -	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)	I	Total Excluding Environmental Surcharge (7)-(6)					
Aug-11	\$ 33,399,998	\$ 12,974,166	\$ 1,968,910	\$ 1,417,659	\$ 91,996	\$ 49,852,729	\$	49,760,733					
Sep-11	26,354,514	9,870,751	1,052,813	1,075,015	73,129	\$ 38,426,222	\$	38,353,093					
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315					
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182					
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021					
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346					
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119		\$	29,563,077					
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$ .	26,372,598					
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012					
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267					
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202					
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342					
for 12 Months Endi	ng Current Expense Mor						s	32,445,432					
			Surcharge for 12-month		onth =		\$	. 77,422,747					
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.91%					

	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)
Aug-11	\$ 35,719,338	\$ 16,969,571	\$ 2,622,710	\$ 473,895	\$ 180,792	\$ 55,966,305	\$ 55,785,513	\$ 36,193,232
Sep-11	32,105,558	14,854,983	1,624,813	424,224	92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815		
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183		\$ 37,949,630	\$ 24,590,106
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443		
Jan-12	26,659,672	13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777
Jul-12		17,039,422	3,822,030	663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,								
for 12 Months Ending Current Expense Month.							\$ 44,977,314	\$ 28,937,022
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							\$ 77,422,747	
GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							58.09%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2012

			Revenues per	Re	evenues per
			Form 3.00	Inco	me Statement
Kentucl	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	96,767,723	\$	96,767,723
(2)	Fuel Adjustment Clause	\$	6,650,071	\$	6,650,071
(3)	DSM	\$	2,268,721	\$	2,268,721
(4)	Environmental Surcharge			\$	592,538
(5)	CSR Credits			\$	(249,422)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	105,686,515		
Non -Ju	rrisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	3,978,871	\$	3,978,871
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	3,978,871		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	109,665,386		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		96.37%		
				1	
Reconc	iling Revenues				
(10)	Brokered	\$	-	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled	T		\$	(2,096,958)
(13)	Miscellaneous			\$	1,613,708
(14)	Total Company Revenues per Income Statement =			\$	109,525,253



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

SEP **2 1** 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentücky 40232 www.lge-ku.com

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), Louisville Gas and Electric Company ("LG&E") 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. 2011-00232, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the October 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 LG&E'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,

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 #:** 

FIRM INVOICED: Mr. John A. Rogness III

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

#### PROJECT DESCRIPTION:

LGE Environmental Compliance

CONSULTANT	MONTH	WORKED	RATE	FEES	EXPENSES	AMOUNT	IOIALS
Walt Drabinski Chuck Buechel Mike Boismenu	/01/12-07/31/12 /01/12-07/31/12 /01/12-07/31/12	. 16	\$260 \$240 \$240		\$100.00 	\$3,360.00	
SUB TOTALS		32		\$7,720.00	\$100.00	\$7,820.00	
TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/V COPYING - Color							\$7,720.00 \$100.00 \$0.00 \$0.00 \$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.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

Robert M. Conroy Director - Rates

LG&E and KU Energy, LLC

KU, LGE 20120711, 8/2/2012

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of August 2012

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 241,347
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.75%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 337,145
Group 2 ES Billing Factor ES Form 1.10, line 18	=	1.17%

Effective Date for Billing: October billing cycle beginning October 1, 2012

Title: Director, Rates

Date Submitted: September 21, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

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				
(1) RB		=	\$	77,775,220	\$	28,786,440	
(2) RB/12		=	\$	6,481,268	\$	2,398,870	
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	=		10,82%		10.37%	
(4) OE		=	\$	599,429	\$	95,661	
(5) BAS		=	\$			Not Applicable	
(6) BR		=	\$	12,834		Not Applicable	
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	1,313,537	\$	344,423	
(8) Total E(m) = su	m of Pre-2011 E(m) + 2011 E(m)		\$	1,657,960			

Calculation of Adjusted Net Jurisdictional E(m)

	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		***************************************
(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96.86%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	1,605,900
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	1,027,408
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	578,492

Calculation of Group Environmental Surcharge Billing Factors

- Group	Environmental Guicharge Dinnig Pactors			
		GROUP	? 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.72%	58.28%
(16)	Group E(m) [(14) x (15)]	= \$	241,347 \$	337,145
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,098,340 \$	28,791,255
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.75%	1.17%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Compliance Rate Base								
	Pre	-2011 Envirome	ntal C	ompliance Plans	20	011 Enviromenta	al Co	mpliance Plan
Eligible Pollution Control Plant	\$	76,130,659			\$	1,965,028		
Eligible Pollution CWIP Excluding AFUDC		11,797,811				26,860,872		
Subtotal			\$	87,928,470			\$	28,825,900
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		7,246						
Cash Working Capital Allowance		225,839				86,455		
Subtotal				233,085				86,455
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		6,039,820				9,457		
Pollution Control Deferred Income Taxes		4,346,515				116,458		
Subtotal				10,386,335				125,915
Environmental Compliance Rate Base			\$	77,775,220			\$	28,786,440

**Determination of Pollution Control Operating Expenses** 

	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 365,468	\$ 92,897
Monthly Depreciation & Amortization Expense	236,646	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,130	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		3,675
Total Pollution Control Operations Expense	\$ 599,429	\$ 95,661

Determination of Beneficial Reuse Operating Expenses

	Env	vironmental
	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	12,834
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	12,834

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net ·
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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	Deferred Tax Balance as of 8/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	, , ,	\$ 555,148 \$ 499,368	\$ (3,005)	\$ 4,517,000			\$ 10,067 \$ 10,300	
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 850,100 \$ 308,507 \$ - \$ 7,361,077	\$ 67,734 \$ -	\$ - \$ -	\$. 706,652 \$ 240,773 \$ - \$ 5,663,405	\$ 21,015 \$ -		\$ 2,564 \$ 1,147 \$ - \$ 22,206	\$ 31 \$ -
Subtotal	\$ 18,933,180	\$ 2,963,370	\$ 250,713	\$ 16,220,523	\$ 2,603,947		\$ 46,283	\$ 2,042
Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ (2,520,865)	\$ (969,332)	s -	\$ (1,551,534)	\$ (384,695)		\$ (5,253)	\$ (194)
Net Total - 2005 Plan:	\$ 16,412,315	\$ 1,994,039	\$ 250,713	\$ 14,668,989	\$ 2,219,252		\$ 41,030	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 444,823 \$ 352,904	\$ - \$ -	\$ 41,801,242 \$ 2,995,253 \$ 1,697,443 \$ 303,517	\$ 413,822 \$ 74,937	\$ 14,527	\$ 155,174 \$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221 \$ 39
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 50,123,997 \$ -	\$ 3,872,057	\$ 545,514	\$ 46,797,455 \$ -	\$ 1,875,266 \$ -	\$ 14,527 \$ -	\$ 175,178	\$ 5,947 \$ -
Net Total - 2006 Plan:	\$ 50,123,997	\$ 3,872,057	\$ 545,514	\$ 46,797,455	\$ 1,875,266	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 173,724 \$ - \$ -	\$ 1,185,065 \$ 372,265 \$ 5,705,834 \$ 3,738,420	\$ 9,792,888 \$ 5,705,834	\$ 251,997 \$ -		\$ - \$ 20,438 \$ - \$ -	\$ 180 \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ . 173,724 \$ -	\$ 11,001,584	\$ 20,422,207	\$ 251,997		\$ 20,438	\$ 1,917 \$ -
Net Total - 2009 Plan:	\$ 9,594,347	\$ 173,724	\$ 11,001,584	\$ 20,422,207	\$ 251,997		\$ 20,438	\$ 1,917
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 6,039,820	\$ 11,797,81	\$ 81,888,651	\$ 4,346,515	14,527	236,640	5 \$ 9,712
		L						

Plant, CWIP & Depreciation Expense

For the Month Ended: August 31, 2012

(1)	T	(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)	
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 8/31/2012		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)									
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	1,965,028 -	\$ \$	9,457 -	\$	25,748,816 1,112,056		27,704,387 1,112,056		116,458			\$ \$	6,304 -	\$	135 1	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ \$	1,965,028	\$	9,457 -	\$	26,860,872	\$	28,816,443	\$ \$	116,458			\$	6,304	\$	135	
Net Total - 2011 Plan:	\$	1,965,028	\$	9,457	\$	26,860,872	\$	28,816,443	\$	116,458	\$	-	\$	6,304	\$	135	
Net Total - All Plans:	\$.	78,095,687	\$	6,049,276	\$	38,658,683	\$	110,705,093	\$	4,462,973	\$	14,527	\$	242,951	\$	9,848	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Please see the July 20, 2012 transmittal letter for the June 2012 expense filing concerning the status of Project 22.

Inventory of Emission Allowances

For the Month Ended: August 31, 2012

Vintage Year	Nu	nber of Allowand	ces	Tot	al Dollar Value Of Vinta	ge Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
	_	Annual	Ozone Season		Annual	Ozone Season	•
Current Year	119,720	4,595	2,636	\$ 1,140.21	\$ 6,770.	39 \$ 506.99	
2013	62,379						
2014	62,379						
2015	62,379						
2016	62,379						
2017,	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032 - 2041	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of August 2012

TOTAL EMISSION ALLO  Quantity  Dollars \$ \$/Allowance \$  ALLOCATED ALLOWAN  Quantity  Dollars \$  ALLOCATED ALLOWAN  Quantity	126,896 1,208.56 \$ 0.01 \$ NCES FROM 123,763 1,170.11 \$	0 5 - 5 - M EPA: COAL FU - S - M EPA: OTHER 1	7,176 \$ 68.35 \$ 0.01  UEL  7,034 \$ 66.99	\$ - \$ -	\$ - \$ -	\$	119,720 1,140.21 0.01 116,729 1,103.12	Sale Date & Vintage Years
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWAN Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	126,896   1,208.56   \$ 0.01   \$ NCES FROM	0 5 - 5 - M EPA: COAL FU - S - M EPA: OTHER 1	7,176 \$ 68.35 \$ 0.01  UEL  7,034 \$ 66.99	\$ - \$ -	\$ - \$ - \$ -	\$ \$	1,140.21 0.01 116,729 1,103.12	
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOWAN Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	126,896   1,208.56   \$ 0.01   \$ NCES FROM	0 5 - 5 - M EPA: COAL FU - S - M EPA: OTHER 1	7,176 \$ 68.35 \$ 0.01  UEL  7,034 \$ 66.99	\$ - \$ -	\$ - \$ - \$ -	\$ \$	1,140.21 0.01 116,729 1,103.12	
Dollars \$ \$/Allowance \$  ALLOCATED ALLOWAN Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	1,208.56 \$ 0.01 \$  NCES FROM 123,763 1,170.11 \$  NCES FROM 3,133	S - S - M EPA: COAL FU - S - M EPA: OTHER I	\$ 68.35 \$ 0.01 UEL 7,034 \$ 66.99 FUELS 142	\$ - \$ -	\$ - \$ - \$ -	\$ \$	1,140.21 0.01 116,729 1,103.12	
\$/Allowance \$  ALLOCATED ALLOWAN Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	0.01 \$  NCES FROM 123,763   1,170.11 \$  NCES FROM 3,133	M EPA: COAL FU	\$ 0.01  UEL 7,034 \$ 66.99  FUELS 142	\$ -	\$ - \$ -	\$	0.01 116,729 1,103.12	
ALLOCATED ALLOWAN Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	NCES FROM 123,763 1,170.11 \$ NCES FROM 3,133	M EPA: COAL FU	UEL 7,034 \$ 66.99	\$ -	\$ -	\$	116,729 1,103.12	
Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	123,763 1,170.11 \$ NCES FROM 3,133	- \$ - M EPA: OTHER )	7,034 \$ 66.99 FUELS		\$ -	\$	1,103.12	
Quantity Dollars \$  ALLOCATED ALLOWAN Quantity	123,763 1,170.11 \$ NCES FROM 3,133	- \$ - M EPA: OTHER )	7,034 \$ 66.99 FUELS		\$ -	\$	1,103.12	
Dollars \$  ALLOCATED ALLOWAN Quantity	1,170.11 \$  NCES FROM 3,133	S - M EPA: OTHER I	\$ 66.99  FUELS  142		\$ -	\$	1,103.12	
ALLOCATED ALLOWAN	NCES FROM 3,133	M EPA: OTHER I	FUELS 142					
Quantity	3,133	-	142		<u> </u>		2001	
Quantity	3,133	-	142		T		2001	
Quantity	3,133	-	142		T		2 001 1	
Quantity	3,133	-	142	-	Т		2.001	
				-	-	. 1		
Dollars \$	20 /5   0						2,991	
	30.43 4	\$ -	\$ 1.36	\$ -	\$ -	\$	37.09	
		_						
ALLOWANCES FROM PI	PURCHASES	S:						
From Market:								
Quantity	-	-	-	-	<u> </u>			
Dollars \$	- \$		\$ -	\$ -		- \$	-	
\$/Allowance \$	- 19	\$ -	\$ -	\$ -	\$ -	- \$		
				,				
From KU								
Quantity	-	-	_			-	-	
Dollars \$		\$ -	\$ -	\$ -		- \$	_	
\$/Allowance \$	-   5	\$	\$ -	\$ -	\$	- \$	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of August 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or				
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years				
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	Y, ALL CLASSIFIC	CATIONS							
Quantity	3,230				0	2,636					
Dollars	\$ 382.85				\$ -	\$ 506.99					
\$/Allowance	\$ 0.12			\$ 0.12	\$ -	\$ 0.19					
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity	2,886		1,266			2,370	Ending Inventory includes purchase from KU as shown below				
Dollars	\$ 342.06	\$ -	\$ 150.06	-	\$ -	\$ 475.45					
ALLOCATED AI	LOWANCES FR	OM EPA: OTHER	FUELS 64	. 14		266					
Dollars	\$ 40.79		\$ 7.59			\$ 31.54					
Dollars	\$ 40.79	-	φ 1.39	1.00	-	31.34					
ALLOWANCES I	FROM PURCHAS	SES:									
Quantity	1			0	0	0					
Dollars	\$ -	\$ -	s -	\$ -	\$ -	\$ -					
\$/Allowance	s -	\$ -	\s\ -	\$ -	\$ -	\$ -	•				
4/1 HIO WALLOC	1 4	1 4	1 *								
From KU:											
Quantity	0	750	) (	0	0	750	Purchase from KU - included in Ending Inventory - Coal Fuel				
Dollars	\$ -	\$ 283.45	5 \$ -	-	\$ -	\$ 283.45	as shown above.				
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ 0.38					
\$/Allowance	] \$ -	13 -	13 -		-	J 0.36					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of August 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or					
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years					
					<del></del>							
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS								
Quantity	5,939			14	0	4,595						
Dollars	\$ 8,750.68		\$ 1,980.29		\$ -	\$ 6,770.39						
\$/Allowance	\$ 1.47	-	\$ 1.49	-	\$	\$ 1.47						
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL												
Quantity	5,460	(50)	1,266	-	-	4,144	(50) allowances transferred from Coal to CTs at					
Dollars	\$ 8,750.68	\$ -	\$ 1,980.29	-	\$ -	\$ 6,770.39	Trimble County station					
ALLOCATED ALLOWANCES FROM EPA: OTHER FUELS												
Quantity	479			14	-	451	50 allowances transferred from Coal to CTs at					
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Trimble County station					
-												
ALLOWANCES	ALLOWANCES FROM PURCHASES:											
From Market:	TROM I CRCHA	1	T			T						
Quantity	0	0	0	0	0	0						
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
\$/Allowance	\$ -	\$ -	\$ -	\$ -	S -	\$ -						
From KU:												
Quantity	C	0	0	0	0							
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
	*											
		W	· · · · · · · · · · · · · · · · · · ·									

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2012

Env	Environmental Compliance Plan									
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount								
11th Previous Month	\$ 174,545									
10th Previous Month	61,568									
9th Previous Month	104,274									
8th Previous Month	130,472	52,540								
7th Previous Month	137,600	54,008								
6th Previous Month	161,007	42,758								
5th Previous Month	108,745	51,942								
4th Previous Month	91,880	104,944								
3rd Previous Month	148,897	146,684								
2nd Previous Month	136,939	81,870								
Previous Month	172,483	64,001								
Current Month	378,302	92,897								
Total 12 Month O&M	\$ 1,806,714	\$ 691,643								

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	1,806,714	\$		691,643				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8					
Pollution Control Cash Working Capital Allowance	\$	225,839	\$		86,455				

Pollution Control - Operations & Maintenance Expenses For the Month Ended: August 31, 2012

O&M Expense	Account	Cane Run		Mill Creek	Trimble County	Total
2005 Plan						
502056-ECR Scrubber Operations					205,303.41	205,303.41
512055-ECR Scrubber Maintenance					200,000,11	-
Total 2005 Plan O&M Expenses					205,303.41	205,303.41
2006 PI						
2006 Plan 506159 - ECR Sorbent Injection Oper	ntion				2,946.52	2,946.52
506159 - ECR Sorbent Injection Oper 506152 - ECR Sorbent Reactant - Rea				-	20,221.79	20,221.79
512152 - ECR Sorbent Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - Reactant - R					709.34	709.34
			25.52	(60,42)	1,321,13	1.227.18
506150 - ECR Mercury Monitors Ope		(	25.52)	(68.43)	1,321.13	1,227.18
512153 - ECR Mercury Monitors Ma	ntenance		-	-	45.500.60	45 520 60
502056 - ECR Scrubber Operations					45,520.68	45,520.68
512055 - ECR Scrubber Maintenance					7,151.62	7,151.62
506154 - ECR NOx Operation Con					39,560.86	39,560.86
506155 - ECR NOx Operation Lab	or and Other				1,212.67	1,212.67
512151 - ECR NOx Maintenance					437.01	437.01
506051 - ECR Precipitator Operation					2,212.64	2,212.64
506151 - ECR Activated Carbon					35,831.73	35,831.73
512051 - ECR Precipitator Maintenar	ice				3,132.62	3,132.62
Total 2006 Plan O&M Expenses		\$	(25.52)	(68.43)	160,258.61	160,164.66
2009 Plan						
502013 - ECR Landfill Operations			_		- 1	-
512107 - ECR Landfill Maintenance	1470				-	_
Adjustment for CCP Disposal in Base	Rates (ES Form 2.51)				-	-
Net 2009 Plan O&M Expenses			-		-	-
Subtotal - Pre-2011 Plans		1	(25.52)	(68.43)	365.562.02	365,468,07
Subidial - FTC-2011 Flais			(23.32)	(00.43)	303,302.02	303,400.07
2011 Plan						
502056 - ECR Scrubber Operations				-		
512055 - ECR Scrubber Maintenance	river and the second					-
506159 - ECR Sorbent Injection Ope	ration			-	13,178.09	13,178.09
506152 - ECR Sorbent Reactant - Re	agent Only				79,015.89	79,015.89
512152 - ECR Sorbent Injection Mai	ntenance			-	702.73	702.73
506156 - ECR Baghouse Operations				-	-	-
512156 - ECR Baghouse Maintenance	e e			-	-	-
506151 - ECR Activated Carbon				-	-	-
Adjustment for Base Rates Baseline	Amounts	-		-	i i	_
Total 2011 Plan O&M Expenses					92,896.71	92,896.71
Current Month O&M Expense for All Plans		1\$	(25.52)  \$	(68.43)	\$ 458,458.73	\$ 458,364,78
Current Month Octivi Expense for All Plans		1 4	(22.32)	(08.43)	Ψ +30,436.73	430,304.70

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2012

		·
On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	- \$	-
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		· · · · · · · · · · · · · · · · · · ·
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	- 1\$	T\$ - 1

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: August 31, 2012

Third Party	O&M Expense Account	Plant	]	Total O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County		12,834.42
			_	
Total Monthly I	Beneficial Reuse Expense		\$	12,834.42
Adjustment for	Beneficial Reuse in Base Rates (from ES For	m 2.61)	\$	-
Net Beneficial I	Reuse O&M Expense		\$	12,834.42

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2012

On-Site CCP Disposal O&M Expense	Can	e Run	Mill	Creek	Tri	mble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					<u> </u>			
(1) 12 Months Ending with Expense Month	\$	-	\$		\$	_	\$	-
(2) Monthly Amount [(1) / 12]	\$	-	\$	-	\$	-	\$	-
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$		\$	_	\$	12,834.42	\$	12,834.42
Total Beneficial Reuse - Generating Station					-			V 10 10 10 10 10 10 10 10 10 10 10 10 10
(4) Monthly Expense [(2) + (3)]	\$	<u> </u>	\$	-	\$	12,834.42	\$	12,834.42
Beneficial Reuse in Base Rates								
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	-	\$	(210,822.03)	\$	(210,822.03)
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	-	\$	(17,568.50)		(17,568.50)
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$		\$	30,402.92	\$	30,402.92
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	-	\$	17,568.50	\$	17,568.50
If Line (8) Greater than Zero, No Adjustment					-			
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$		<b>S</b>		1\$		T \$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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 Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Base Rate Fuel Clause Revenues Fuel Component Revenues Fuel Component Revenues Revenues Base Rate Fuel Clause Revenues Revenues Revenues C2)+(3)+(4)+(5)+(6)							
Sep-11	\$ 26,354,514	\$ 9,870,751	\$ 1,052,813	\$ 1,075,015	\$ 73,129	\$ 38,426,222	\$	38,353,093
Oct-11	16,917,330	5,712,112	579,003	615,870	45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538		\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625
for 12 Months Endi	urisdictional Revenues, E ng Current Expense Mor	nth.	• ,				\$	32,098,340
				s ending with Current Mo	onth =		\$	76,936,069
GROUP 1 Revenue	es as a Percentage of Total	al Revenues for 12-mont	ns ending with the Curre	nt Month				41.72%

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(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	\$ 32,105,558	\$ 14,854,983	\$ 1,624,813	\$ 424,224	\$ 92,240	\$ 49,101,818	\$ 49,009,578	\$ 32,529,782				
Oct-11	27,905,295	13,743,723	1,371,878	342,652	82,268	\$ 43,445,815	\$ 43,363,547	\$ 28,247,947				
Nov-11	24,296,515	11,773,278	1,586,245	293,591	79,183	\$ 38,028,812	\$ 37,949,630	\$ 24,590,106				
Dec-11	24,749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443	\$ 38,479,281	\$ 25,065,186				
Jan-12	26,659,672	13,394,478	. 1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789				
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750				
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391				
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117				
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465				
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777				
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720				
Aug-12		16,634,925	3,031,537	652,106	220,802	\$ 54,331,291	\$ 54,110,489	\$ 34,444,027				
Average Monthly J	urisdictional Revenues, I	Excluding Environmental	Surcharge and Fuel,									
for 12 Months End	ing Current Expense Mor	nth.					\$ 44,837,729					
		excluding Environmental			onth =		\$ 76,936,069					
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			58.28%					

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: August 31, 2012

		Davanua nor	D	evenues per
		Revenues per		^
	·	 Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 92,428,216	\$	92,428,216
(2)	Fuel Adjustment Clause	\$ 5,135,713	\$	5,135,713
(3)	DSM	\$ 2,142,185	\$	2,142,185
(4)	Environmental Surcharge		\$	403,313
(5)	CSR Credits		\$	(388,768)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 99,706,114		•
Non -Ju	urisdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 3,232,888	\$	3,232,888
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 3,232,888		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 102,939,002		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	96.86%		
Reconc	iling Revenues			
(10)	Brokered	\$ _	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	-
(12)	Unbilled		\$	1,334,132
(13)	Miscellaneous		\$	2,130,873
(14)	Total Company Revenues per Income Statement =		\$	106,418,552



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PUBLIC SERVICE

COMMISSION

Louisville Gas and Electric Company

State Regulation and Rates

Louisville, Kentucky 40232

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Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

October 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the November billing cycle which begins October 30, 2012.

As stated in our July 20, 2012 filing, LG&E has discontinued work related to the construction of the new landfill at the Cane Run Generation Station (Project 22). LG&E received the final air permit for Cane Run Unit 7 in September 2012 and is now cancelling Project 22, therefore the CWIP balance for Project 22 is included as an expense on ES Form 2.50.

Also, it has come to my attention that the 2011 Plan Total Pollution Control Operations Expense was inadvertently understated for the July and August 2012 expense months because the Construction Monitoring Fee expense was subtracted instead of added. The amount of the understatement is reflected as a Prior Period Adjustment on ES Form 1.10 for the September 2012 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 July and August 2012 expense months.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of September 2012

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 463,696
Group 1 ES Billing Factor ES Form 1.10, line 18	==	1.44%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 643,769
Group 2 ES Billing Factor ES Form 1,10, line 18	=	2.25%

Effective Date for Billing: November billing cycle beginning October 30, 2012

Submitted by:

Title: Director, Rates

Date Submitted: October 19, 2012

Calculation of Total E(m) and Group Surcharge Billing Factors

#### 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-20 Cor	2011 Environmental Compliance Plans	
(1) RB		=	\$	76,900,048	\$ 27,231,416
(2) RB/12		=	\$	6,408,337	\$ 2,269,285
(3) (ROR + (ROR - DR)	(TR / (1 - TR)))	=		10.85%	10.40%
(4) OE		. =	\$	1,591,247	\$ 73,754
(5) BAS		=	\$	-	Not Applicable
(6) BR		=	\$	7,105	Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	2,293,657	\$ 309,760
(8) Total E(m) = sum of 1	Pre-2011 E(m) + 2011 E(m)		\$	2,603,417	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3,10	=	94.55%
(10)	$\label{eq:Jurisdictional} \text{Jurisdictional Allocation Ratio}  \text{[(8)} \times \text{(9)]}$	= \$	2,461,531
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	(506,722)
(12)	Prior Period Adjustment (if necessary)	=	16,858
(13)	Revenue Collected through Base Rates	=	864,202
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	1,107,465

Calculation of Group Environmental Surcharge Billing Factors

	Environmental Strenar ge Dinnig Pactors	GROU	P 1 (Total Revenue)	GRO	OUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.87%		58.13%
(16)	Group E(m) [(14) x (15)]	= \$	463,696	\$	643,769
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	32,145,789	\$	28,610,941
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	1.44%		2.25%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of September 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Comphance Rate Base									
	Pre	-2011 Envirome	ntal C	compliance Plans	20	011 Enviromenta	al Compliance Plan		
Eligible Pollution Control Plant	\$	76,130,659			\$	1,965,028			
Eligible Pollution CWIP Excluding AFUDC		11,142,444				25,361,352			
Subtotal			\$	87,273,103			\$	27,326,380	
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		5,045							
Cash Working Capital Allowance		374,594				94,870			
Subtotal				379,639				94,870	
Deductions;									
Accumulated Depreciation on Eligible Pollution Control Plant		6,281,719				15,761			
Pollution Control Deferred Income Taxes		4,470,975				174,073			
Subtotal				10,752,694				189,834	
Environmental Compliance Rate Base			\$	76,900,048			\$	27,231,416	

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 1,357,476	\$ 67,315
Monthly Depreciation & Amortization Expense	236,646	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,532	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,120	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 1,591,247	\$ 73,754

**Determination of Beneficial Reuse Operating Expenses** 

	Envir	ronmental				
,	Compliance Pla					
Total Monthly Beneficial Reuse Expense	\$	7,105				
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-				
Net Beneficial Reuse Operations Expense	\$	7,105				

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2012

(1)		(2)		(3)		(4)		(5)		(6)	(	(7)		(8)		(9)
Description	Pla	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 9/30/2012		Monthly ITC Amortization Credit		Monthly Depreciation Expense		F	Monthly Property Tax Expense
								(2)-(3)+(4)	_	7,50,2012						
								(-) (-) (-)								
2005 Plan:	İ		1													
Project 11 - Special Waste Landfill Expansion at Mill Creek	\$			565,214	\$	241,476		4,494,692		657,374			\$		\$	544
Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$	5,595,065	\$	509,667	\$	(3,005)	\$	5,082,393	\$	396,610			\$	10,300	\$	646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$	850,100	\$	146,013	\$	-	\$	704,088	\$	125,258			\$	2,564	\$	91
Project 14 - Scrubber Refurbishment at Cane Run Unit 6	s	308,507	\$	68,881	\$	-	\$	239,626	\$	21,108			s	1,147	\$	31
Project 15 - Scrubber Refurbishment at Cane Run Unit 5	s		\$	_	\$	_	\$	· - 1	\$	´- I			\$	´-	s	_
Project 16 - Scrubber Improvements at Trimble County Unit 1	\$	7,361,077	\$	1,719,879	\$	-	\$	5,641,199	\$	1,430,182			\$	22,206	\$	730
Subtotal	s	10.022.100		2 000 654		220 471	•	16 161 000		0.620.620			\$	46.000		0.040
Less Retirements and Replacement resulting	3	18,933,180	3	3,009,654	3	238,471	3	16,161,998	3	2,630,532			1 3	46,283	\$	2,042
from implementation of 2005 Plan	\$	(2,520,865)	\$	(969,332)	\$	-	\$	(1,551,534)	\$	(384,695)			\$	(5,253)	\$	(194)
Net Total - 2005 Plan:	s	16,412,315	\$	2,040,322	\$	238,471	\$	14,610,464	\$	2,245,836			\$	41,030	s	1,848
						,		, , , , , , , , , , , , , , , , , , , ,		-, -,			1		<del>                                     </del>	
2006 Plan:				=	l		1		ĺ						l	
Project 18 - TC2 AQCS Equipment	s	44,236,424	s	3,135,869	\$	530,947	\$	41,631,501	ls.	1,380,841	\$	14,527	l s	155,174	s	5,303
Project 19 - Sorbent Injection	s	3,440,076		454,600	\$	-	\$	2,985,476		422,147		1 ,,52.	s	9,777		384
Project 20 - Mercury Monitors	s	, ,		361,771			\$	1,688,575		75,986			s	8,867		221
Project 21 - Mill Creek Opacity and Particulate Monitors	s	397,151		94,994		_	\$	302,157					\$	1,361		39
Project 21 - Mill Creek Opacity and Farticulate Monitors	*	397,131	3	94,994	a	-	,	302,137	1 3	79,003			1 3	1,301	3	39
Subtotal	\$	50,123,997	\$	4,047,235	\$	530,947	\$	46,607,710	\$	1,958,639	\$	14,527	\$	175,178	\$	5,947
Less Retirements and Replacement resulting			1				l							•	1	
from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Total - 2006 Plan:	s	50,123,997	1 6	4,047,235	l e	530,947	1 8	46,607,710	10	1,958,639	•	14,527	10	175,178	T &	5,947
Net 10tal - 2000 Fiail.	1.0	30,123,997	1 3	4,047,233	13	330,341	1 9	40,007,710	1 3	1,938,039	Φ	14,327	1 3	173,178	1 3	3,941
2009 Plan:			1						1							
Project 22 - Cane Run CCP Storage (Landfill - Phase I)	s	-	\$	_	s	_	\$	_	s	_			s	-	s	_
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	<b>S</b>	9,594,347	\$	194,162	\$	429,195		9,829,380	\$	266,499	l		s	20,438	\$	1,198
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	s	-,,	s	,	\$	5,639,317	\$	5,639,317					\$		\$	400
Project 25 - Beneficial Reuse	s	_	\$	_	\$	4,304,513		4,304,513			1		1 \$		\$	138
Troject 25 Delichola Rease	ľ				"	1,504,515	ľ	1,501,515	"				"		"	150
Subtotal	\$	9,594,347	\$	194,162	\$	10,373,025	\$	19,773,210	\$	266,499			\$	20,438	\$	1,737
Less Retirements and Replacement resulting	ļ		1				1		1		1		1		1	
from implementation of 2009 Plan	\$	-	\$	-	\$	-	\$	-	\$	-			\$	-	\$	-
Net Total - 2009 Plan:	\$	9,594,347	\$	194,162	\$	10,373,025	\$	. 19,773,210	\$	266,499			\$	20,438	\$	1,737
	1		T		T		Т		T				T	**************************************	$\overline{}$	
Subtotal - Pre-2011 Plans:	\$	76,130,659	\$	6,281,719	\$	11,142,444	\$	80,991,383	\$	4,470,975	\$	14,527	\$	236,646	\$	9,532
													T			

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		Deferred Tax Balance as of 9/30/2012		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)								
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	1,965,028 -	\$ \$	15,761 -	\$ \$	24,215,123 1,146,229		26,164,390 1,146,229		174,073 -			\$ \$	6,304 -	\$	135 1
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	s s	1,965,028	s s	15,761 -	\$	25,361,352 	\$ \$	27,310,619 -	\$ \$	174,073			\$ \$	6,304 -	s s	135
Net Total - 2011 Plan:	\$	1,965,028	\$	15,761	\$	25,361,352	\$	27,310,619	\$	174,073	\$	-	\$	6,304	\$	135
Net Total - All Plans:	\$	78,095,687	\$	6,297,480	\$	36,503,796	\$	108,302,002	\$	4,645,048	\$	14,527	\$	242,951	\$	9,668

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: September 30, 2012

Vintage Year	Nur	nber of Allowand	es	Tot	al Dollar	Value Of Vintage	Year	r	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	·
		Annual	Ozone Season			Annual		Ozone Season	
Current Year	113,824	3,315	903	\$ 1,084.05	\$	4,884.41	\$	173.68	
2013	62,379								
2014	62,379						L		
2015	62,379								
2016	62,379						_		
2017	62,379				1.				
2018	62,379								
2019	62,379								
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031	62,379								
2032 - 2041	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of September 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	119,720	0	5,896	0	0	113,824	
Dollars	\$ 1,140.21	\$ -	\$ 56.16	\$ -	\$ -	\$ 1,084.05	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	-	\$ -	\$ 0.01	
ALLOCATED AL	LOWANCES FRO	OM EPA: COAL F					
Quantity	116,729	-	5,748		-	110,981	
Dollars	\$ 1,103.12	\$ -	\$ 54.75	-	\$ -	\$ 1,048.37	1 Company Company
***************************************	<u> </u>		1			1	A MARIAN AND AND AND AND AND AND AND AND AND A
1			•				
	LLOWANCES FRO	OM EPA: OTHER				2040	
Quantity	2,991	-	148	-	-	2,843	
Dollars	\$ 37.09	\$ -	\$ 1.41	\$ -	\$ -	\$ 35.68	
		1		L			Land the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second
ATTOTALICE	TO CALL DATE CALL	DC.					
	FROM PURCHAS	ES:		1	· · · · · · · · · · · · · · · · · · ·		
From Market:				-			
Quantity Dollars	\$ -	\$ -	\$ -			1.	
	\$ -  \$ -	S -   S -		- S -	\$ -   \$ -	\$ -   \$ -	
\$/Allowance	<u> </u>	<u> - </u>	-	1 5 -	ΙΦ -	<u> </u>	
From KU	1	1	T .		T		
Quantity				-	-	<del> </del>	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowalice	ΙΦ	Ψ -	1 4 -	ΙΨ	14	Ι Ψ.	
							-

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of September 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or	
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years	
	***************************************							
		S IN INVENTORY						
Quantity	2,636	(453)		8	0	903		
Dollars .	\$ 506.99				\$ -	\$ 173.68		
\$/Allowance	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	\$ -	\$ 0.19		
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL								
Quantity	2,370	(316)	1,217		-		Ending Inventory includes transfer of allowances to	
Dollars	\$ 475.45	\$ (80.39)	\$ 234.07	\$ -	\$ -	\$ 160.99	IMEA/IMPA (237) and surrender true-up (79) allowances	
						1		
ALLOCATED AT	LLOWANCES FRO	OM EPA: OTHER		8	<del>-</del>	66	Ending Inventory includes transfer of allowances to	
Dollars	\$ 31.54			\$ 1.54	s -	\$ 12.69	IMEA/IMPA (115) and surrender true-up (22) allowances	
2011020		(3.1.5)						
	FROM PURCHAS	ES:	T		1			
From Market:	-							
Quantity	0		0	. 0	0	0		
Dollars	\$ -	\$ -	\$ -	-	-	\$ -		
\$/Allowance	\$ -	-	\$ -	-		\$ -		
			T			T		
From KU:								
Quantity	0	0	-	0	0			
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -		
\$/Allowance	-		-					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory '	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	4,595		1,272		0	3,315	
Dollars	\$ 6,770.39		\$ 1,885.98		\$ -	\$ 4,884.41	
\$/Allowance	\$ 1.47	\$ -	\$ 1.48	-	\$ -	\$ 1.47	
ALLOCATED AL	LOWANCES FRO	OM EPA: COAL F	TIET.				
Quantity	4,144		1,217	T -	T -	2,927	
Dollars	\$ 6,770.39		\$ 1,885.98		s -	\$ 4,884.41	
	1,0,0,0,0	-	1,000.00			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
ALLOCATED Al	LLOWANCES FR	OM EPA: OTHER	FUELS 55	1 8		388	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Dollars			-		Ф -	-	
	FROM PURCHAS	SES:	<u> </u>				
From Market:		1	-	0	<del>                                     </del>	0	
Quantity	0						
Dollars	\$ -	\$ -  \$ -	\$ -	\$ -   \$ -	\$ - \$ -		
\$/Allowance		12 -		-	-	-	
From KU:	1	T	T	T	1	T	
Quantity	0	0	0	0	0		
Dollars	\$ -	\$ -	- s	\$ -	\$ -	<b>S</b> -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	•	-					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2012

Environmental Compliance Plan							
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount					
11th Previous Month	\$ 61,56	8					
10th Previous Month	104,27	4					
9th Previous Month	130,47	2 52,540					
8th Previous Month	137,60	0 54,008					
7th Previous Month	161,00	7 42,758					
6th Previous Month	108,74	5 51,942					
5th Previous Month	91,88	0 104,944					
4th Previous Month	148,89	7 146,684					
3rd Previous Month	136,939	81,870					
2nd Previous Month	172,483	64,001					
Previous Month	378,302	92,897					
Current Month	1,364,58	67,315					
Total 12 Month O&M	\$ 2,996,750	758,959					

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$	2,996,750	\$		758,959	
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8		
Pollution Control Cash Working Capital Allowance	\$	374,594	\$		94,870	

Pollution Control - Operations & Maintenance Expenses For the Month Ended: September 30, 2012

O&M Expense Account		Cane Run	Mill Creek	Trimble County	Total
2005 Plan					•
502056-ECR Scrubber Operations				78.187.18	78,187,18
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses				78,187.18	78,187.18
2006 Plan	1				
506159 - ECR Sorbent Injection Operation				1,066,88	1,066,88
506152 - ECR Sorbent Reactant - Reagent Only				10.532.57	10,532,57
512152 - ECR Sorbent Injection Maintenance				1.049.91	1,049.91
506150 - ECR Mercury Monitors Operation		1,126.18	3,020.20	376.76	4,523.14
512153 - ECR Mercury Monitors Maintenance	1	1,120.10	5,020.20		1,525.11
502056 - ECR Scrubber Operations				16,984.03	16,984.03
512055 - ECR Scrubber Maintenance				6,967.79	6,967.79
506154 - ECR NOx Operation Consumables				17,815.17	17,815.17
506155 - ECR NOx Operation Labor and Other				657.60	657.60
512151 - ECR NOx Maintenance				406.45	406.45
506051 - ECR Precipitator Operation				1,636,63	1,636.63
506151 - ECR Activated Carbon				29,146.09	29,146.09
512051 - ECR Precipitator Maintenance				3,437.24	3,437.24
Total 2006 Plan O&M Expenses	\$	1,126.18	3,020.20	90,077.12	94,223.50
2009 Plan 502013 - ECR Landfill Operations		1 105 065 20		····	1,185,065.29
512107 - ECR Landfill Maintenance		1,185,065.29	-	-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			_		
Net 2009 Plan O&M Expenses		1,185,065.29		<u>-</u>	1,185,065,29
Net 2009 Flair Occavi Expenses		1,183,003.23			1,105,005.25
Subtotal - Pre-2011 Plans		1,186,191.47	3,020.20	168,264.30	1,357,475.97
2011 Plan					
502056 - ECR Scrubber Operations					
512055 - ECR Scrubber Maintenance					
506159 - ECR Sorbent Injection Operation			-	8,894,96	8,894.9
506152 - ECR Sorbent Reactant - Reagent Only			-	58,132.01	58,132.0
512152 - ECR Sorbent Injection Maintenance			-	288.41	288.4
506156 - ECR Baghouse Operations			_	200.11	200.1
512156 - ECR Baghouse Maintenance			-	- 1	-
506151 - ECR Activated Carbon			-	-	-
Adjustment for Base Rates Baseline Amounts			-		-
Total 2011 Plan O&M Expenses			-	67,315.38	67,315.3
Current Month O&M Expense for All Plans	1.\$	1,186,191,47   \$	3,020,20	\$ 235,579.68   \$	1,424,791,3

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	-
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	-
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-   \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: September 30, 2012

Third Party	O&M Expense Account	Plant	Т	otal O&M		
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,105.36		
			·			
Total Monthly E	Beneficial Reuse Expense		\$	7,105.36		
Adjustment for	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
	Net Beneficial Reuse O&M Expense					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	-	-	\$ -
(2) Monthly Amount [(1) / 12]			-	\$ -
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	-	\$ 7,105.36	\$ 7,105.36
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 7,105.36	\$ 7,105.36
Beneficial Reuse in Base Rates	<u> </u>			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	- \$	- \$	\$ (210,822.03)	\$ (210,822.03)
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ (17,568.50)	\$ (17,568.50)
(7) Total Generating Station Less Base Rates [(4) - (6)]	-	-	\$ 24,673.86	\$ 24,673.86
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ 17,568.50	\$ 17,568.50
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	-	-	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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	\$ 16,917,330	\$ 5,712,112	\$ 579,003	\$ 615,870	\$ 45,322	\$ 23,869,637	\$	23,824,315
Nov-11	16,019,215	5,348,290	753,833	574,844	47,672	\$ 22,743,854	\$	22,696,182
Dec-11	19,118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =								32,145,789
		al Revenues for 12-month			onu =		\$	76,781,678 41.87%

Month         Revenues         Fuel Component         Revenues         Revenues         Revenues         Revenues         Revenues         (2)+(3)+(4)+(5)+(6)           Oct-11         \$ 27,905,295         \$ 13,743,723         \$ 1,371,878         \$ 342,652         \$ 82,268         \$ 43,445,815         \$           Nov-11         24,296,515         11,773,278         1,586,245         293,591         79,183         \$ 38,028,812         \$           Dec-11         24,749,375         12,161,662         1,252,433         315,812         98,162         \$ 38,577,443         \$           Jan-12         26,659,672         13,394,478         1,571,373         403,116         156,181         \$ 42,184,820         \$           Feb-12         23,671,915         11,327,521         1,559,054         369,836         157,709         \$ 37,086,035         \$           Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         41,690,961         \$           Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$           May-12         26,783,712         12,308,862         2,919,045         516,753         253,839         42,782,211		•
Month         Base Rate Revenues         Base Rate Fuel Component         Fuel Clause Revenues         DSM Revenues         Surcharge Revenues         Total           Oct-11         \$ 27,905,295         \$ 13,743,723         \$ 1,371,878         \$ 342,652         \$ 82,268         \$ 43,445,815         \$           Nov-11         24,296,515         11,773,278         1,586,245         293,591         79,183         \$ 38,028,812         \$           Dec-11         24,749,375         12,161,662         1,252,433         315,812         98,162         \$ 38,577,443         \$           Jan-12         26,659,672         13,394,478         1,571,373         403,116         156,181         \$ 42,184,820         \$           Feb-12         23,671,915         11,327,521         1,559,054         369,836         157,709         \$ 37,086,035         \$           Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         41,690,961         \$           Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$           May-12         26,783,712         12,308,862         2,919,045         516,753         253,839         \$ 42,782,211         \$	(8)	(9)
Oct-11         \$ 27,905,295         \$ 13,743,723         \$ 1,371,878         \$ 342,652         \$ 82,268         \$ 43,445,815         \$ Nov-11           Nov-11         24,296,515         11,773,278         1,586,245         293,591         79,183         38,028,812         \$ Dec-11         24,749,375         12,161,662         1,252,433         315,812         98,162         \$ 38,577,443         \$ 38,577,443         \$ 38,777,443         \$ 38,278,443         \$ 38,777,443         \$ 38,777,443         \$ 38,777,443         \$ 38,777,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 38,577,443         \$ 36,863,363         156,181         \$ 36,836         157,709         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035         \$ 37,086,035 </td <td>Total Excluding Environmental Surcharge (7)-(6)</td> <td>Total Non-Fuel Revenues plus DSM (2)+(5)</td>	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Nov-11         24,296,515         11,773,278         1,586,245         293,591         79,183         \$ 38,028,812         \$           Dec-11         24,749,375         12,161,662         1,252,433         315,812         98,162         \$ 38,577,443         \$           Jan-12         26,659,672         13,394,478         1,571,373         403,116         156,181         \$ 42,184,820         \$           Feb-12         23,671,915         11,327,521         1,559,054         369,836         157,709         \$ 37,086,035         \$           Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         \$ 41,690,961         \$           Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$           May-12         26,783,712         12,308,862         2,919,045         516,753         253,839         \$ 42,782,211         \$           Jun-12         32,117,929         15,784,878         3,634,227         611,848         201,644         \$ 52,350,526         \$           Jul-12         34,823,511         17,039,422         3,822,030         663,209         306,547         \$ 56,654,720         \$	<del></del>	\$ 28,247,9
Jan-12         26,659,672         13,394,478         1,571,373         403,116         156,181         \$ 42,184,820         \$ Feb-12           Feb-12         23,671,915         11,327,521         1,559,054         369,836         157,709         \$ 37,086,035         \$ Mar-12           Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         \$ 41,690,961         \$ Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441<	\$ 37,949,630	<del></del>
Feb-12         23,671,915         11,327,521         1,559,054         369,836         157,709         \$ 37,086,035         \$ Mar-12           Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         \$ 41,690,961         \$ Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 44,782,211         \$ 42,782,211         \$ 42,	\$ 38,479,281	\$ 25,065,1
Mar-12         26,248,353         12,651,096         2,161,818         364,037         265,657         \$ 41,690,961         \$ Apr-12           Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211 </td <td>\$ 42,028,639</td> <td>\$ 27,062,7</td>	\$ 42,028,639	\$ 27,062,7
Apr-12         26,905,440         13,543,423         2,804,987         478,677         234,914         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 43,967,441         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,782,211         \$ 42,7	\$ 36,928,326	\$ 24,041,7
May-12         26,783,712         12,308,862         2,919,045         516,753         253,839         \$ 42,782,211         \$ Jun-12           Jun-12         32,117,929         15,784,878         3,634,227         611,848         201,644         \$ 52,350,526         \$ Jul-12           Jul-12         34,823,511         17,039,422         3,822,030         663,209         306,547         \$ 56,654,720         \$ Aug-12           Aug-12         33,791,921         16,634,925         3,031,537         652,106         220,802         \$ 54,331,291         \$ Sep-12           Sep-12         29,737,343         13,851,459         2,370,019         628,671         171,589         \$ 46,759,081         \$ \$ 46,759,081	\$ 41,425,304	\$ 26,612,3
Jun-12         32,117,929         15,784,878         3,634,227         611,848         201,644         \$ 52,350,526         \$           Jul-12         34,823,511         17,039,422         3,822,030         663,209         306,547         \$ 56,654,720         \$           Aug-12         33,791,921         16,634,925         3,031,537         652,106         220,802         \$ 54,331,291         \$           Sep-12         29,737,343         13,851,459         2,370,019         628,671         171,589         \$ 46,759,081         \$	\$ 43,732,527	\$ 27,384,
Jul-12     34,823,511     17,039,422     3,822,030     663,209     306,547     \$ 56,654,720     \$ Aug-12       Aug-12     33,791,921     16,634,925     3,031,537     652,106     220,802     \$ 54,331,291     \$ Sep-12       Sep-12     29,737,343     13,851,459     2,370,019     628,671     171,589     \$ 46,759,081     \$ \$ 46,759,081	\$ 42,528,372	\$ 27,300,
Aug-12         33,791,921         16,634,925         3,031,537         652,106         220,802         \$ 54,331,291         \$           Sep-12         29,737,343         13,851,459         2,370,019         628,671         171,589         \$ 46,759,081         \$	\$ 52,148,882	\$ 32,729,
Sep-12         29,737,343         13,851,459         2,370,019         628,671         171,589         \$ 46,759,081         \$	\$ 56,348,173	\$ 35,486,
	\$ 54,110,489	\$ 34,444,
	\$ 46,587,492	\$ 30,366,
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.		\$ 28,610,
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = \$ GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month	\$ 76,781,678 58,13%	

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: September 30, 2012

	·	,	Revenues per	Re	venues per
	Form				me Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	79,560,260	\$ .	79,560,260
(2)	Fuel Adjustment Clause	\$	4,069,395	\$	4,069,395
(3)	DSM	\$	1,880,322	\$	1,880,322
(4)	Environmental Surcharge			\$	311,750
(5)	CSR Credits	<u> </u>		\$	(86,619)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	85,509,977		
Non -Jı	urisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	4,929,789	\$	4,929,789
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	4,929,789		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	90,439,766		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		94.55%		
Reconc	illing Revenues				
(10)	Brokered	\$		\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)		-	\$	_
(12)	Unbilled			\$	(5,203,201)
(13)	Miscellaneous			. \$	2,573,460
(14)	Total Company Revenues per Income Statement =			\$	88,035,157

## **Attachment 1**

Summary of Calculation of Prior Period Adjustment included in the September 2012 expense month filing and revised ES Forms 1.10 and 2.0 for July and August 2012 expense months

# Louisville Gas & Electric Company Summary of Calculation of Prior Period Adjustment included in the September 2012 Expense Month Filing

(1)		(2)		(3)		(4)	(5)		(6)
	$\mathbf{A}^{\mathbf{S}}$	S FILED		REVISED					
Expense	2011	ECR Plan	20	11 ECR Plan	$\mathbf{C}$	hange to	Juris	C	Change to
Month	Op	erations	(	Operations	Oı	perations	Allocation	Jı	uris E(m)
	E	xpense		Expense	E	expense	Ratio		
		-		,	[(	3) - (2)]			•
Jul-12	\$	62,236	\$	72,340	\$	10,105	96.37%	\$	9,738
		,		,	•	•	96.86%	\$	7,120
Aug-12	\$	95,661	\$	103,011	\$	7,351	90.00%	Φ	7,120
Total Prior Period Adjustment						\$_	16,858		

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of July 2012 as Revised October 19, 2012

#### Calculation of Total E(m)

		Pre-2011 Environmental Compliance Plans			2011 Environmental Compliance Plans		
(1) RB	=	\$	77,628,085	\$		24,869,986	
(2) RB/12	=	\$	6,469,007	\$		2,072,499	
3) (ROR+(ROR-DR)(TR/(1-TR)))	=		10.82%			10,37%	
4) OE	. =	\$	406,581	\$		72,340	
5) BAS	=	\$	·-		Not App	licable	
6) BR .	=	\$	19,165		Not App		
7) E(m) (2) x (3) + (4) - (5) + (6)	. =	\$	1,125,692	\$		287,259	
8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)		\$	1,412,951				

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96,37%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= , \$, ,	1,361,661
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	
(13)	Revenue Collected through Base Rates	=	1,073,324
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	288,337

Calculation of Group Environmental Surcharge Billing Factors

		GROU	GROUP 1 (Total Revenue)		et Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	. =	41.91%	•	58,09%
(16)	Group E(m) [(14) x (15)]	= '\$:' ' ' '	120,842	\$	167,495
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	. = \$	32,445,432	\$	28,937,022
(18)	Group Environmental Surcharge Billing Factors [(16) + (17)]	= 500	0.37%		0.58%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of July 2012 as Revised October 19, 2012

Determination of Environmental Compliance Rate Base

2 ctel minution of Envir officentum Compliance Mate Dase							
	Pre	Pre-2011 Environmental Compliance Plans			2011 Enviromental Compliance Plan		
Eligible Pollution Control Plant	\$	76,130,659			\$ 1,965,02	3	
Eligible Pollution CWIP Excluding AFUDC		11,295,991			22,892,10	9	
Subtotal			\$	87,426,650		\$	24,857,137
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		9,093					
Cash Working Capital Allowance		212,317			74,843	3	
Subtotal				221,410			74,843
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant		5,797,920			3,152		
Pollution Control Deferred Income Taxes		4,222,055			58,842		
Subtotal				10,019,975			61,994
Environmental Compliance Rate Base			\$	77,628,085		\$	24,869,986

**Determination of Pollution Control Operating Expenses** 

2 distribution of a control of bounding and bounded		
	Pre-2011	2011
	Environmental	Environmental
· ·	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 172,483	\$ 64,001
Monthly Depreciation & Amortization Expense	236,646	3,152
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,267	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		5,052
Total Pollution Control Operations Expense	\$ 406,581	\$ 72,340

**Determination of Beneficial Reuse Operating Expenses** 

	Envi	ironmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	19,165
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	19,165

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	\$ -	\$ -	\$ -

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of August 2012 as Revised October 19, 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

				11 Environmental mpliance Plans	2011 Environmental Compliance Plans		
(1) RB	•	=	\$	77,775,220	\$	28,786,440	
(2) RB/12		=	\$	. 6,481,268	\$	2,398,870	
(3) (ROR + (ROR - D	PR) (TR / (1 - TR)))	=		10,82%		10.37%	
(4) OE		=	\$	599,429	\$	103,011	
(5) BAS		=	\$	<u>-</u>		lot Applicable	
(6) BR		=	\$	12,834	N	lot Applicable	
(7), E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	1,313,537	, <b>\$</b> - 1, 2, 2	351,774	
(8) Total E(m) = sum	of Pre-2011 E(m) + 2011 E(m)		<b>\$</b>	1,665,311			

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96,86%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	<b>= \$</b>	1,613,020
(11)	Adjustment for (Over)/Under-collection pursuant to	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	1,027,408
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= {	585,612

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)		
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.72%	•	58.28%	
(16)	Group E(m) [(14) x (15)]	= ; \$	244,317	\$ ,	341,295	
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,098,340	\$	28,791,255	
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	<b>=</b>	0.76%	34.1	1.19%	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2012 as Revised October 19, 2012

Determination of Environmental Compliance Rate Base

Pre-	2011 Envirome	ntal C	Compliance Plans	20	011 Enviromenta	al Co	mpliance Plan
\$	76,130,659			\$	1,965,028		
	11,797,811				26,860,872		
		\$	87,928,470			\$	28,825,900
$\Box$	7,246						
	225,839				86,455		
			233,085				86,455
	6,039,820				9,457		
	4,346,515				116,458		
			10,386,335				125,915
		\$	77,775,220			\$	28,786,440
	Pre-	\$ 76,130,659 11,797,811 7,246 225,839 6,039,820	\$ 76,130,659 11,797,811 \$ 7,246 225,839 6,039,820	11,797,811 \$ 87,928,470 7,246 225,839 233,085 6,039,820 4,346,515 10,386,335	\$ 76,130,659 11,797,811 \$ 87,928,470 7,246 225,839 233,085 6,039,820 4,346,515 10,386,335	\$ 76,130,659 11,797,811 \$ 87,928,470	\$ 76,130,659 11,797,811 \$ 87,928,470 \$ 87,928,470 \$ 86,455 225,839 233,085 6,039,820 4,346,515 10,386,335

**Determination of Pollution Control Operating Expenses** 

Determination of Political Control Operating Expenses		
	Pre-2011	2011
·	Environmental	Environmental
·	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 365,468	\$ 92,897
Monthly Depreciation & Amortization Expense	. 236,646	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,712	135
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,130	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		3,675
Total Pollution Control Operations Expense	\$ 599,429	\$ 103,011

Determination of Beneficial Reuse Operating Expenses

Determination of Beneficial Reuse Operating Expenses		
	,Envir	onmental
·	Compli	iance Plan
Total Monthly Beneficial Reuse Expense	\$	12,834
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	12,834

Proceeds From By-Product and Allowance Sales

,	Total		Amount in	Net
	Proceed	s	Base Rates	 Proceeds
	(1)		(2)	(1) - (2)
Allowance Sales	\$ -	\$	-	\$ -
Scrubber By-Products Sales	-		-	-
Total Proceeds from Sales	\$ -	\$	-	\$ -



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

**RECEIVED** 

NOV 19 2012

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

November 19, 2012

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of October 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E has included the calculation and supporting documentation of the Environmental Surcharge Factors that will be billed during the December 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 LG&E'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,

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 TOTAL PERSONAL EXPENSES OVERNIGHT MAIL COPYING - Black/White COPYING - Color MISCELLANEOUS									
TOTAL MONTHLY INVOICE AMOUNT \$4,300.									

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies arise, please call or write to the following billing address.

### PLEASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of October 2012

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 281,956
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.87%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 390,167
Group 2 ES Billing Factor ES Form 1.10, line 18	=	1.37%

Effective Date for Billing: December billing cycle beginning November 29, 2012

Title: Director, Rates

Submitted by

Date Submitted: November 19, 2012

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### 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

	I	Pre-2011 Environmental Compliance Plans	2011 Environmental Compliance Plans
1) RB	= \$	77,647,620	\$ 39,529,844
2) RB/12	= \$	6,470,635	\$ 3,294,154
<ol><li>(ROR + (ROR - DR) (TR / (1 - TR)))</li></ol>	=	10.85%	10.40%
4) OE	= \$	429,602	\$ 79,300
5) BAS	= \$	-	Not Applicable
6) BR	= \$	11,218	Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	1,142,884	\$ 421,892
8) Total $E(m) = \text{sum of Pre-2011 } E(m) + 2011 E(m)$	\$	1,564,776	

Calculation of Adjusted Net Jurisdictional E(m)

(9) Jurisdictional Allocation Ratio for Expense Month – ES Form 3.10 = 87.59%  (10) Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)] = \$ 1,370,587  (11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208 = \$ -  (12) Prior Period Adjustment (if necessary) = -  (13) Revenue Collected through Base Rates = 698,464  (14) Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)] = 672,123	- 1
(11) Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208 = \$ -  (12) Prior Period Adjustment (if necessary) = -  (13) Revenue Collected through Base Rates = 698,464	
(12) Prior Period Adjustment (if necessary) = -  (13) Revenue Collected through Base Rates = 698,464	
(13) Revenue Collected through Base Rates = 698,464	
(14) Adjusted Net Indicated Section 17(x) (10) (11) (10) (12)	
(14) Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)] = 672,123$	

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	21 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.95%	58.05%
(16)	Group E(m) [(14) x (15)]	= \$	281,956 \$	390,167
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,242,669 \$	28,522,477
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.87%	1.37%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of October 2012

**Determination of Environmental Compliance Rate Base** 

The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s							
	Pre-	2011 Envirome	ntal C	Compliance Plans	2011 Enviroment	al Co	mpliance Plan
Eligible Pollution Control Plant	\$	76,130,659			\$ 1,965,028		
Eligible Pollution CWIP Excluding AFUDC		12,227,387			37,714,846		
Subtotal			\$	88,358,046		\$	39,679,874
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		3,392					
Cash Working Capital Allowance		392,837			103,725	-	
Subtotal				396,229			103,725
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant		6,523,619			22,066		
Pollution Control Deferred Income Taxes		4,583,036			231,689		
Subtotal				11,106,655			253,755
Environmental Compliance Rate Base			\$	77,647,620		\$	39,529,844

**Determination of Pollution Control Operating Expenses** 

Determination of 1 onution Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 196,298	\$ 70,837
Monthly Depreciation & Amortization Expense	236,646	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,532	138
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	1,653	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		2,021
Total Pollution Control Operations Expense	\$ 429,602	\$ 79,300

**Determination of Beneficial Reuse Operating Expenses** 

Determination of Denencial Reuse Operating Expenses		
,	Envir	onmental
	Compl	liance Plan
Total Monthly Beneficial Reuse Expense	\$	11,218
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	11,218

Proceeds From By-Product and Allowance Sales

V			
	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

Co**psyoy**m 2.10 Page 1 of 3

### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 10/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 4,818,430 \$ 5,595,065 \$ 850,100 \$ 308,507 \$ - \$ 7,361,077	\$ 575,281 \$ 519,967 \$ 148,577 \$ 70,027 \$ - \$ 1,742,085	\$ 241,639 \$ (3,005) \$ - \$ - \$ - \$ -	\$ 5,072,093 \$ 701,523 \$ 238,480 \$ -	\$ 402,174		\$ 10,067 \$ 10,300 \$ 2,564 \$ 1,147 \$ - \$ 22,206	\$ 544 \$ 646 \$ 91 \$ 31 \$ - \$ 730
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ 18,933,180 \$ (2,520,865)			\$ 16,115,877 \$ (1,551,534)	, , ,		\$ 46,283 \$ (5,253)	
Net Total - 2005 Plan:	\$ 16,412,315	\$ 2,086,605	\$ 238,634	\$ 14,564,344	\$ 2,260,525		\$ 41,030	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 44.236.424 \$ 3,440,076 \$ 2,050,346 \$ 397.151	\$ 3,291,043 \$ 464,377 \$ 370.638 \$ 96.355	\$ 620,096 \$ - \$ - \$ -	\$ 41,565,477 \$ 2,975,700 \$ 1,679,708 \$ 300,796	\$ 430,471 \$ 76,532	\$ 14,527	\$ 155,174 \$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 50,123,997 \$ -	\$ 4,222,413 \$ -	\$ 620,096 \$ -	\$ 46,521,680 \$ -	\$ 2,041,509	\$ 14,527 \$ -	\$ 175,178 \$ -	\$ 5,947 \$ -
Net Total - 2006 Plan:	\$ 50,123,997	\$ 4,222,413	\$ 620,096	\$ 46,521,680	\$ 2,041,509	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 214,601 \$ - \$ -	\$ - \$ 330,382 \$ 6,689,121 \$ 4,349,154	\$ 6,689,121	\$ -		\$ - \$ 20,438 \$ - \$ -	\$ - \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 214,601	\$ 11,368,656 \$ -	\$ 20,748,403 \$ -	\$ 281,001		\$ 20,438 \$ -	\$ 1,737 \$ -
Net Total - 2009 Plan:	\$ 9,594,347	\$ 214,601	\$ 11,368,656	\$ 20,748,403	\$ 281,001		\$ 20,438	\$ 1,737

## Attachment to Response to SV Question No. 2(h) Page 626 of 1183

Collisiforym 2.10 Page 2 of 3

### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 10/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 6,523,619	\$ 12,227,387	\$ 81,834,427	\$ 4,583,036	\$ 14,527	\$ 236,646	\$ 9,532

Constroym 2.10 Page 3 of 3

### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 10/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 1,965,028 \$ -	\$ 22,066 \$ -	\$ 35,286,085 \$ 2,428,761				\$ 6.304 \$ -	\$ 135 \$ 3
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 1,965,028 \$ -	\$ 22,066 \$ -	\$ 37,714,846 \$ -	\$ 39,657,809	\$ 231,689 \$ -		\$ 6,304 \$ -	\$ -
Net Total - 2011 Plan:	\$ 1,965,028	\$ 22,066	\$ 37,714,846	\$ 39,657,809	\$ 231,689	\$ -	\$ 6,304	\$ 138
Net Total - All Plans:	\$ 78,095,687	\$ 6,545,684	\$ 49,942,233	\$ 121,492,236	\$ 4,814,724	\$ 14,527	\$ 242,951	\$ 9,670

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2012

Vintage Year	Nur	nber of Allowand	ces	Tota	al Dollar Value Of Vintage		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	·
Current Year	108,026	2,193	903	\$ 1,028.83	\$ 3,231.22	\$ 173.68	
2013	62,379						
2014	62,379						·
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032 - 2041	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of October 2012

TOTAL EMISSION ALI Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLOW Quantity Dollars \$  ALLOCATED ALLOW Quantity Dollars \$	113,824 1,084.05 0.01 WANCES FRO 110,981 1,048.37 WANCES FRO 2,843	0 \$ - \$ - OM EPA: COAL F	5,798 \$ 55.22 \$ 0.01 UEL 5,685 \$ 54.15	\$ - \$ -	\$ - \$	105,; \$ 994	8.83 0.01 3,296 4.22
Dollars \$ \$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	1,084.05 0.01 WANCES FRO 110,981 1,048.37 WANCES FRO 2,843	\$ - \$ -  M EPA: COAL F  -  \$ -  M EPA: OTHER	\$ 55.22 \$ 0.01 UEL 5,685 \$ 54.15	\$ -	\$ - \$ - \$ -	\$ 1,028 \$ 0 105, \$ 994	8.83 0.01 3,296 4.22
\$/Allowance \$  ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity Quantity	0.01   WANCES FRO 110,981   1,048.37   WANCES FRO 2,843	S - OM EPA: COAL F S - OM EPA: OTHER	UEL 5,685 \$ 54.15	\$ -	- \$ -	\$ 00 105; \$ 994	0.01
ALLOCATED ALLOWA Quantity Dollars \$  ALLOCATED ALLOWA Quantity	0.01   WANCES FRO 110,981   1,048.37   WANCES FRO 2,843	S - OM EPA: COAL F S - OM EPA: OTHER	UEL 5,685 \$ 54.15	\$ -	\$ -	105,; \$ 994	,296 4.22
Quantity Dollars \$  ALLOCATED ALLOW Quantity	110,981 1,048.37 WANCES FRO 2,843	s - s - om epa: other	5,685 \$ 54.15 FUELS		\$ -	\$ 994	4.22
Dollars \$  ALLOCATED ALLOW Quantity	1,048.37 WANCES FRO 2,843	M EPA: OTHER	\$ 54.15 FUELS		\$ -	\$ 994	4.22
ALLOCATED ALLOW	WANCES FRO	M EPA: OTHER	FUELS				
Quantity	2,843					2.	
Quantity	2,843				1	1 2	
Dollars		dr.			<del> </del>		2,730
	35.68	\$ -	\$ 1.07	-	\$ -	\$ 34	14.61
ALLOWANCES FROM	M PURCHASE	ES:					
From Market:							
Quantity	-	-	-	-	-		-
Dollars \$		\$ -	\$ -	\$ -	\$ -	Ψ	-
\$/Allowance \$		\$ -	\$ -		\$ -	\$	
From KU							
Quantity	-	-	-	_	-		-
Dollars \$	-	\$ -	\$ -	\$ -	\$ -	\$	-
\$/Allowance \$	·	\$ -		\$		\$	-

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of October 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or		
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years		
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS					
Quantity	903	0	0	0	0	903			
Dollars	\$ 173.68		\$ -	\$ -	\$ -	\$ 173.68			
\$/Allowance	\$ 0.19	\$ -	\$ -	\$ -	\$ -	\$ 0.19			
				•					
ALLOCATED AL		M EPA: COAL F	UEL						
Quantity	837	•	-		-	837			
Dollars	\$ 160.99	\$ -	\$ -	\$ -	\$ -	\$ 160.99			
ALLOCATED AL	LOWANCES FRO	OM EPA: OTHER	FUELS						
Quantity	66	-	-	-	-	66			
Dollars	\$ 12.69	\$ -	\$ -	\$ -	\$ -	\$ 12.69			
ALLOWANCES I	ROM PURCHAS	ES:							
From Market:									
Quantity	0	0	0	0	0	0			
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -			
\$/Allowance	\$ -	\$ -	\$ -	-		-			
201									
From KU:									
Quantity	0	0	0	0		0			
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
\$/Allowance	\$ -	\$ -	-	-	-	\$ -			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of October 2012

\$/Allowance \$  ALLOCATED ALLOWANCE Quantity \$ 4.  ALLOCATED ALLOWANCE Quantity \$ 5.  Dollars \$ 5.  ALLOWANCES FROM PURE From Market: Quantity \$ 5.  Quantity \$ 5.  Quantity \$ 5.	3,315 ,884.41 \$ 1.47 \$ ES FROM EPA: CO 2.927   .884.41 \$	0 - \$ - \$ .: COAL FUEI - \$ - \$	1,121 1,653.19 1.47 2L 1,064 1,653.19 DELS	1 \$ - \$ -	\$ \$	- \$	1,863 3,231.22	
Quantity Dollars \$ 4, \$/Allowance \$  ALLOCATED ALLOWANCE Quantity Dollars \$ 4,  ALLOCATED ALLOWANCE Quantity Dollars \$ 4,  ALLOCATED ALLOWANCE Quantity Dollars \$ 5	3,315   ,884.41   \$	0   -   \$   -   \$   .: COAL FUEL   -   \$   .: OTHER FUEL   -     .: OTHER FUEL   -	1,121 1,653.19 1.47 2L 1,064 1,653.19 DELS	1 \$ - \$ - \$ -	\$	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	3,231.22 1.47 1,863 3,231.22	
Dollars \$ 4, \$/Allowance \$  ALLOCATED ALLOWANCE Quantity Dollars \$ 4,  ALLOCATED ALLOWANCE Quantity Dollars \$ 4,  ALLOWANCES FROM PURE From Market: Quantity Dollars \$ 5	.884.41 \$ 1.47 \$  ES FROM EPA: CO 2.927   .884.41 \$  ES FROM EPA: O7 388	- \$ .: COAL FUEL - \$ .: OTHER FUEL - 1	1,653.19 1.47 2L 1,064 1,653.19 DELS	\$ - \$ -	\$	- \$	3,231.22 1.47 1,863 3,231.22	
\$/Allowance \$  ALLOCATED ALLOWANCE Quantity \$ 4.  ALLOCATED ALLOWANCE Quantity \$ 5.  Dollars \$ 5.  ALLOWANCES FROM PURE From Market: Quantity \$ 5.  Quantity \$ 5.	1.47 \$  ES FROM EPA: CO 2.927   .884.41 \$  ES FROM EPA: OT 388	: COAL FUEL	1.47 EL 1,064 1.653.19 DELS 57	\$ - \$ -	\$	- \$	1,863 3,231.22 330	
Quantity Dollars \$ 4.  ALLOCATED ALLOWANC Quantity Dollars \$  ALLOWANCES FROM PUR From Market: Quantity Dollars \$	2.927 .884.41 \$ CES FROM EPA: O7	- \$	1,064 1,653.19 DELS	\$ -	\$	- \$	3,231.22	
Dollars \$ 4.  ALLOCATED ALLOWANC Quantity Dollars \$  ALLOWANCES FROM PUR From Market: Quantity Dollars \$	.884.41 \$ CES FROM EPA: OT 388	: OTHER FUI	1,653.19 DELS	\$ -	\$	- \$	3,231.22	
ALLOCATED ALLOWANC  Quantity Dollars \$  ALLOWANCES FROM PUR  From Market: Quantity Dollars \$	CES FROM EPA: O7	: OTHER FUI	TELS 57	1			330	
Quantity Dollars \$  ALLOWANCES FROM PUR From Market: Quantity Dollars \$	388	-	57	1 \$ -	\$	- \$		
Quantity Dollars \$  ALLOWANCES FROM PUR From Market: Quantity Dollars \$	388	-	57	1 \$ -	\$	- \$		
Dollars \$  ALLOWANCES FROM PUR From Market: Quantity Dollars \$				\$ -	\$	- \$		
ALLOWANCES FROM PUR From Market: Quantity Dollars \$	- \$	-   \$		\$ -	\$	- \$	-	
From Market: Quantity Dollars \$					1			
From Market: Quantity Dollars \$								
Quantity Dollars \$	RCHASES:							
Dollars \$								
	0	0	0	0		0	0	
	- \$	- \$		\$	Ψ	- \$		
\$/Allowance \$	- \$	- \$	-	\$	\$	- \$	-	
					,			
From KU:						_		
Quantity	0	0	0	0		0		
Dollars \$	- \$	- \$		\$ -		- \$	-	
\$/Allowance \$	-   \$	- \$	-	\$ -	\$	- \$	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2012

Environmental Compliance Plan									
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount							
11th Previous Month	\$ 104,274								
10th Previous Month	130,472	52,540							
9th Previous Month	137,600	54,008							
8th Previous Month	161,007	42,758							
7th Previous Month	108,745	51,942							
6th Previous Month	91,880	104,944							
5th Previous Month	148,897	146,684							
4th Previous Month	136,939	81,870							
3rd Previous Month	172,483	64,001							
2nd Previous Month	378,302	92,897							
Previous Month	1,364,581	67,315							
Current Month	207,516	70,837							
Total 12 Month O&M	\$ 3,142,699	\$ 829,796							

Determination of	Working Capita	al Allowance		
12 Months O&M Expenses	\$	3,142,699	\$ 	829,796
One Eighth (1/8) of 12 Month O&M Expenses		1/8	1/8	
Pollution Control Cash Working Capital Allowance	\$	392,837	\$	103,725

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: October 31, 2012

O&M Expense Account	Ca	ane Run	Mill Creek	Trimble County	Total
2005 Plan				•	
502056-ECR Scrubber Operations				101,068.77	101,068.77
512055-ECR Scrubber Maintenance				-	-
Total 2005 Plan O&M Expenses				101,068.77	101,068.77
2006 Plan					
506159 - ECR Sorbent Injection Operation			:	1,407.59	1,407.59
506152 - ECR Sorbent Reactant - Reagent Only				12,315.93	12,315.93
512152 - ECR Sorbent Injection Maintenance				548.04	548.04
506150 - ECR Mercury Monitors Operation		(1,293.16)	(3,468.02)	2,461.01	(2,300.17)
512153 - ECR Mercury Monitors Maintenance		- (1,12,21,10,7	- (51.105.027	2,101.01	(2,500.11)
502056 - ECR Scrubber Operations				23,448.11	23,448.11
512055 - ECR Scrubber Maintenance				6,541,16	6,541.16
506154 - ECR NOx Operation — Consumables				20,339.16	20,339.16
506155 - ECR NOx Operation Labor and Other				668.48	668.48
512151 - ECR NOx Maintenance			~	158,58	158.58
506051 - ECR Precipitator Operation	<del></del>			1,340.28	1,340.28
506151 - ECR Activated Carbon				22,198,51	22,198,51
512051 - ECR Precipitator Maintenance			_	8,563.88	8,563.88
Total 2006 Plan O&M Expenses	\$	(1,293.16)	(3,468.02)	99,990.73	95,229.55
2009 Plan					
502013 - ECR Landfill Operations		-		-	-
512107 - ECR Landfill Maintenance		_		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		_		-	-
Net 2009 Plan O&M Expenses		-			-
Subtotal - Pre-2011 Plans		(1,293.16)	(3,468.02)	201,059.50	196,298.32
2011 Plan					
502056 - ECR Scrubber Operations			_		
512055 - ECR Scrubber Maintenance			_		-
506159 - ECR Sorbent Injection Operation				10,753.95	10,753.95
506152 - ECR Sorbent Reactant - Reagent Only			-	59,674.60	59,674.60
512152 - ECR Sorbent Injection Maintenance		_	-	408.48	408.48
506156 - ECR Baghouse Operations		_	-	400.40	400.40
512156 - ECR Baghouse Maintenance				-	_
. 506151 - ECR Activated Carbon			-		<del></del>
Adjustment for Base Rates Baseline Amounts					
Total 2011 Plan O&M Expenses			-	70,837.03	70,837.03
					, 0,007100
Current Month O&M Expense for All Plans	T S	(1,293.16)  \$	(3,468.02)	\$ 271,896.53   \$	267,135.35

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	- \$	
(2) Monthly Amount [(1) / 12]	-	-
2009 Plan Project		<del></del>
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	1\$ -	T \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: October 31, 2012

Third Party	O&M Expense Account	Plant	Т	otal O&M
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	\$	11,218.14
Total Monthly Be	neficial Reuse Expense		\$	11,218.14
	eneficial Reuse in Base Rates (from ES Form 2.6	51)	\$	-
Net Beneficial Re	use O&M Expense		\$	11,218.14

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total					
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)									
(1) 12 Months Ending with Expense Month	- \$	\$ -	\$ -	-					
(2) Monthly Amount [(1) / 12]	- \$	\$ -	\$ -	-					
2009 Plan Project 25		-							
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 11,218.14	\$ 11,218.14					
Total Beneficial Reuse - Generating Station									
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ 11,218.14	\$ 11,218.14					
Beneficial Reuse in Base Rates									
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ (210,822.03)	\$ (210,822.03)					
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ (17,568.50)	\$ (17,568.50)					
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	- \$	\$ 28,786.64	\$ 28,786.64					
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	-	\$ 17,568.50	\$ 17,568.50					
If Line (8) Greater than Zero, No Adjustment									
If Line (8) Less than Zero, Adjustment for Base Rates									
Adjustment for Base Rate Amount (to ES Form 2.60)	-   \$	\$ -	-	\$ -					

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY 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)	(2) (3) (4) (5) (6) (7)										
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	Environmental				Total Excluding Environmental Surcharge (7)-(6)				
Nov-11	\$ 16.019,215	\$ 5.348.290	\$ 753,833	\$ 574,844	\$ 47,672	\$ 22,743,854	\$	22,696,182				
Dec-11	19.118,883	6,721,406	692,251	725,481	70,722	\$ 27,328,743	\$	27,258,021				
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346				
Feb-12	20,523,395	7.224.301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077				
Mar-12	18,354,087	6.219.675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598				
Apr-12	16.915,354	5.576.596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012				
May-12	19.400,636	6,676,696	1,648,718	859,218	174.319	\$ 28,759,586	\$	28,585,267				
Jun-12	24.454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202				
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342				
Aug-12	30.456,858	11.544.513	2,104.176	1,490,078	182,511		\$	45,595,625				
Sep-12	26.263,406	9.708.052	1,699.376	1,251,651	. 140,160	\$ 39,062,646	\$	38,922,486				
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867				
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
		scluding Environmental S			th =		\$	76,857,192				
GROUP 1 Revenues	s as a Percentage of Total	Revenues for 12-months	ending with the Current	Month				41.95%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues											
(1)	(2)	(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	\$ 24,296,515	\$ 11,773,278	\$ 1,586,245	\$ 293,591	\$ 79,183	\$ 38,028,812							
Dec-11	24.749,375	12,161,662	1,252,433	315,812	98,162	\$ 38,577,443							
Jan-12		13,394,478	1,571,373	403,116	156,181	\$ 42,184,820	\$ 42,028,639	\$ 27,062,789					
Feb-12		11,327,521	1,559.054	369,836	157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750					
Mar-12	26.248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391					
Apr-12	26.905.440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117					
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465					
Jun-12	32.117,929	15.784.878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777					
Jul-12	34,823,511	17.039.422	3,822,030	663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720					
Aug-12	33,791,921	16.634.925	3,031,537	652,106	220,802	\$ 54,331,291	\$ 54,110,489	\$ 34,444,027					
Sep-12		13.851.459	2,370,019	628,671	171.589	\$ 46,759,081	\$ 46,587,492	\$ 30,366,014					
Oct-12													
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =												
		Revenues for 12-months			ui -		\$ 76,857,192 58.05%						

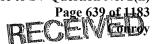
**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: October 31, 2012

			Revenues per	R	evenues per
			Form 3.00	i .	ome Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,979,487	\$	62,979,487
(2)	Fuel Adjustment Clause	\$	3,876,945	\$	3,876,945
(3)	DSM	\$	1,237,593	\$	1,237,593
(4)	Environmental Surcharge			\$	481,639
(5)	CSR Credits			\$	(227,390)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	68,094,025		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	9,647,501	\$	9,647,501
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	9,647,501		
(0)	The LC Company of the Engineering of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of the Company of	6	77 741 506		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	77,741,526		
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =		87.59%		
	[(-). (-)]	_		1	
Reconc	iling Revenues				
(10)	Brokered	\$		\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	822,880
(13)	Miscellaneous			\$	1,815,303
(14)	Total Company Revenues per Income Statement =			\$	80,633,958





### PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

December 21, 2012

RE: Monthly Environmental Surcharge Report

### Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2012. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E 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 LG&E'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,

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 Chuck Buechel Mike Boismenu	10/1/12-10/31/12/12 10/1/12-10/31/12/12 10/1/12-10/31/12/12	· 30 25 38	\$260 \$240 \$240	\$7,800.00 \$6,000.00 \$9,120.00	\$658.84 \$1,069.09	\$10,048.68 \$6,658.84 \$10,189.09				
SUB TOTALS		93		\$22,920.00	\$3,976.61	\$26,896.61				
TOTAL FEES				•		*	\$22,920.00			
TOTAL PERSONAL OVERNIGHT MAIL	EXPENSES			•			\$3,976,61			
COPYING - Black/W	'hito	•			·	•	\$0.00 \$0.00			
COPYING - Color	inte						\$0.00			
MISCELLANEOUS							45,00			
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

Robert M. Coproy

pproved PD# 68949

Director - Rates LG&E and KU Energy, LLC

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID# 27-2585037

INVOICE DATE: INVOICE #:

11/1/2012 20121001

NVOICE PERIOD:

10/1/12-10/31/12/12

PROJECT NAME:

KPSC Commission Case #2012-00469

AGE PROJECT #:

2012-63

FIRM INVOICED: Daryl E. Newby

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

PROJECT DESCRIPTION:

KPSC Commission Case #2012-00469

CONSULTANT	MONTH	HOURS WORKED	HOURLŸ RATE	B)LLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS			
Walt Drabinski Chuck Buechel Mike Boismenu	10/1/12-10/31/12/12 10/1/12-10/31/12/12 10/1/12-10/31/12/12	12 10 5	\$260 \$240 \$240	\$3,120.00 \$2,400.00 \$1,200.00		\$3,120.00 \$2,400.00 \$1,200.00				
SUB TOTALS		27		\$6,720.00	\$0,00	\$6,720.00	\$6,720.00			
TOTAL PERSONA OVERNIGHT MAIL	TOTAL FEES TOTAL PERSONAL EXPENSES OVERNIGHT MAIL GOPYING - Black/White COPYING - Color									
Invoice Amount										
TOTAL MONTH	ILY INVOICE AMO	UNT					\$6 <b>,720.0</b> 0			

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.

EASE REMIT TO:

Vantage Energy Consulting, LLC.

21460 Overseas Hwy. Cudjoe Key, FL 33042

Attn: Walter P. Drabinski

305-744-3440

Robert M. Conroy Director - Rates

, G&E and KU Energy, LLC

KPSC 20121001, 11/1/2012

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of November 2012

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 260,909
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	=	\$ 362,084
Group 2 ES Billing Factor ES Form 1.10, line 18	==	1.26%

Effective Date for Billing: January billing cycle beginning December 31, 2012

Submitted by:

Title: Director, Rates

Date Submitted: December 21, 2012

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

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 = Rate of Return on the Environmental Compliance Rate Base ROR

Debt Rate (both short-term and long-term debt)
Composite Federal & State Income Tax Rate
Pollution Control Operating Expenses
Total Proceeds from By-Product and Allowance Sales
Beneficial Reuse Operating Expenses DR

TR OE

BAS

BR

	Pre-2011 Environmental Compliance Plans				2011 Environmental Compliance Plans
1) RB	=	\$	77,932,528	\$	46,640,989
2) RB/12	=	\$	6,494,377	\$	3,886,749
3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		. 10,85%		10.40%
4) OE	=	\$	354,318	\$	93,806
5) BAS	=	\$	-		Not Applicable
6) BR	=	\$	7,075		Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$	1,066,033	\$	498,028
8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)		\$	1,564,061		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	÷	84.42%
(10)	$\label{eq:Jurisdictional} \text{Jurisdictional Allocation Ratio}  \text{[(8)} \times \text{(9)]}$	= \$	1,320,380
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	697,387
(14)	Adjusted Net Jurisdictional $E(m)$ [(10) + (11) + (12) - (13)]	=	622,993
1			

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	= ,	41.88%	58.12%
(16)	Group E(m) [(14) x (15)]	= \$	260,909	\$ 362,084
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,511,956	\$ 28,689,089
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	= .	0.80%	1.26%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of November 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Computative Nate Base									
	Pre	-2011 Enviromer	ntal Co	ompliance Plans	20	2011 Environmental Compliance Plan			
Eligible Pollution Control Plant	\$	76,130,659			\$	1,965,028			
Eligible Pollution CWIP Excluding AFUDC		12,865,424				44,881,411			
Subtotal			\$	88,996,083			\$	46,846,439	
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		1,300							
Cash Working Capital Allowance		395,759				112,225			
Subtotal				397,059				112,225	
Deductions:									
Accumulated Depreciation on Eligible Pollution Control Plant		6,765,518				28,370			
Pollution Control Deferred Income Taxes		4,695,096				289,305			
Subtotal				11,460,614				317,675	
Environmental Compliance Rate Base			\$	77,932,528			\$	46,640,989	

**Determination of Pollution Control Operating Expenses** 

Determination of Pollution Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 120,575	\$ 68,003
Monthly Depreciation & Amortization Expense	236,646	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,532	138
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2,092	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		19,361
Total Pollution Control Operations Expense	\$ 354,318	\$ 93,806

Determination of Beneficial Reuse Operating Expenses

	Envi	ronmental
	Comp	liance Plan
Total Monthly Beneficial Reuse Expense	\$	7,075
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
·		
Net Beneficial Reuse Operations Expense	\$	7,075

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net .	
	Proceeds	Base Rates	Proceeds	
	(1)	(2)	(1) - (2)	
Allowance Sales	\$ -	\$ -	\$ -	
Scrubber By-Products Sales	-	-	-	
Total Proceeds from Sales	\$ -	\$ -	\$ -	

### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 11/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$ 4,818,430 \$ 5,595,065		\$ 243,520 \$ (3,005)	\$ 4,476,602	\$ 662,764 \$ 407,738		\$ 10,067 \$ 10,300	\$ 543 \$ 646
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ 850,100	\$ 151,141 \$ 71,174 \$ -	\$ - \$ - \$ - \$ -	\$ 698,959 \$ 237,333 \$ - \$ 5,596,787	\$ 129,169 \$ 21,292 \$ -		\$ 2,564 \$ 1,147 \$ - \$ 22,206	\$ 91 \$ 31 \$ -
Subtotal Less Retirements and Replacement resulting	\$ 18,933,180	, ,	-	, ,			\$ 46,283	
from implementation of 2005 Plan  Net Total - 2005 Plan:	\$ (2,520,865) \$ 16,412,315	` ′ ′		\$ (1,551,534) \$ 14,519,941	` '		\$ (5,253) \$ 41,030	` ′
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors  Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151 \$ 50,123,997 \$ -	\$ 3,446,217 \$ 474,153 \$ 379,505 \$ 97,716	\$ 593,602 \$ - \$ - \$ -	\$ 41,383,809 \$ 2,965,923 \$ 1,670,841 \$ 299,435	\$ 1,528,924 \$ 438,795 \$ 77,077 \$ 79,583		\$ 155,174 \$ 9,777 \$ 8,867 \$ 1,361 \$ 175,178 \$ -	\$ 384 \$ 221 \$ 39
Net Total - 2006 Plan:	\$ 50,123,997	\$ 4,397,591	\$ 593,602	\$ 46,320,008	\$ 2,124,379	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ -	\$ - \$ 235,039 \$ - \$ -	\$ (0) \$ 747,118 \$ 7,063,793 \$ 4,220,397	\$ 7,063,793	\$ 295,503 \$ -		\$ - \$ 20,438 \$ - \$ -	\$ - \$ 1,198 \$ 400 \$ 138
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 9,594,347 \$ -	\$ 235,039 \$ -	\$ 12,031,307 \$ -	\$ 21,390,616 \$ -	\$ 295,503 \$ -		\$ 20,438 \$ -	\$ 1,737 \$ -
Net Total - 2009 Plan:	\$ 9,594,347	\$ 235,039	\$ 12,031,307	\$ 21,390,616	\$ 295,503	İ	\$ 20,438	\$ 1,737
Subtotal - Pre-2011 Plans:	\$ 76,130,659	\$ 6,765,518	\$ 12,865,424	\$ 82,230,565	\$ 4,695,096	\$ 14,527	\$ 236,646	\$ 9,532

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2012

	(2)	T (2)	T 4.5	(-)	T	T (2)	r	1 42
(1)	(2)	.(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Eligible Plant In Accumulated Service Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 11/30/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 1,965,028 \$ -	\$ -	\$ 2,483,248	\$ 2,483,248	\$ -		\$ -	\$ 3
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ ,1,965,028 \$ -	\$ 28,370 \$ -	\$ 44,881,411 \$ -	\$ 46,818,069 \$ -	\$ 289,305 \$ -		\$ 6,304 \$ -	\$ 138 \$ -
Net Total - 2011 Plan:	\$ 1,965,028	\$ 28,370	\$ 44,881,411	\$ 46,818,069	\$ 289,305	\$ -	\$ 6,304	\$ 138
Net Total - All Plans:	\$ 78,095,687	\$ 6,793,888	\$ 57,746,835	\$ 129,048,634	\$ 4,984,401	\$ 14,527	\$ 242,951	\$ 9,670

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: November 30, 2012

Vintage Year	Nur	mber of Allowan	ces	Tot	al Dollar Value Of Vintage		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	101,078	773	903	\$ 962.66	\$ 1,138.97	\$ 173.68	
2013	62,379					_	
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379				•		
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379					va.	
2030	62,379						
2031	62,379						
2032 - 2041	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of November 2012

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	Inventory	Fulchases	(Coar ruer)	(Other Puers)	Soid	1 Inventory	Baie Baie & Vintage Tours
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	108,026		6,948		0	101,078	
Dollars	\$ 1,028.83	\$ -	\$ 66.17	\$ -	\$ -	\$ 962.66	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED	ALLOWANCES FR		UEL				
Quantity	105,296		6,908			98,388	
Dollars	\$ 994.22	\$ -	\$ 65.79	\$ -	\$ -	\$ 928.43	
			<u> </u>				
ALLOCATED Quantity	ALLOWANCES FR		FUELS 40	T -	, T	2,690	1
Dollars	\$ 34.61		\$ 0.38		\$ -	\$ 34.23	
Dollars	\$ 34.01		\$ 0.38	-	Ψ -	34.23	
	ES FROM PURCHAS	EES:					
From Market:							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	-	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -		\$ -	\$ -	\$ -	-	
					Ť ····································		
From KU							
Quantity				-	-	<u> </u>	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of November 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
							•
TOTAL EMISSIO		S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	903	0	. 0	0	. 0	903	
Dollars	\$ 173.68		\$ -	\$ -	\$ -	\$ 173.68	
\$/Allowance	\$ 0.19	\$ -	\$ -	-	\$ -	\$ 0.19	
		OM EPA: COAL F	UEL				
Quantity	837	-	-	-		837	
Dollars	\$ 160.99	\$ -	\$ -	\$ -	\$ -	\$ 160.99	
		M EPA: OTHER	FUELS				
Quantity	66	-		-	-	66	
Dollars	\$ 12.69	\$ -	\$ -	\$ -	-	\$ 12.69	
ALLOWANCES I	ROM PURCHAS	ES:	r				
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	-	-	-	-	
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	-	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2012

	Beginn	ing	Allocations/		Utilized	U	tilized			I	Ending	Allocation, Purchase, or
	Invent	ory	Purchases	_	(Coal Fuel)	(Oth	er Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISS	ON ALLOW		IN INVENTOR	Y, AL		ATIONS						·
Quantity		2,193			1,417		3		0		773	
Dollars		231.22		\$	2,092.25			\$		\$	1,138.97	
\$/Allowance	\$	1.47	\$ -	\$	1.48	\$		\$		\$	1.47	
ALLOCATED A	LLOWANC			FUEL				,		Ţ		
Quantity		1,863			1,363			ļ	-	<u> </u>	500	
Dollars	\$ 3,	231.22	\$ -	\$	2,092.25	\$	-	\$		\$	1,138.97	
								<u> </u>		<u> </u>		
	LLOWANC		M EPA: OTHEI	RFUE				,				
Quantity		330			54		3			<u> </u>	273	
Dollars	\$	-	\$ -	\$		\$	-	\$		\$	-	•
		1						L		<u> </u>		
ATTOWNS	EDOMENTE	CTTACT	ac.									
ALLOWANCES From Market:	FROM PUR	CHASI	72:							T		
Quantity		0		1	0		0	<del> </del>	0	┼	0	
Dollars	\$		\$ -	<del>'</del>  \$		\$	<u>_</u>	\$		\$		
\$/Allowance	\$		\$ -	\$		\$	<u>-</u>	\$		\$		
ф/Aщоwance	13	-	<b>a</b> -	13		J 4	<del></del>	1 4	-	1 2	<u>-</u> 1	
From KU:				T		<u> </u>		Τ		Т		
Quantity	<del> </del>	0			0		. 0	+	0	+	······································	
Dollars	\$		\$ -	\$		\$		\$		\$		
\$/Allowance	\$		\$ -	\$		\$		\$		\$		
ψ/2 LITO WATIOC			<u> </u>	Ψ		ι Ψ	<u>-</u>	ΙΨ	<del></del>	ΙΨ		
												•
											1924	

 $Emission \ Allowance \ Expense \ for \ Other \ Power \ Generation \ is \ excluded \ from \ expense \ reported \ on \ Form \ 2.00 \ for \ recovery \ through \ the \ monthly \ billing \ factor.$ 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2012

Environme	Environmental Compliance Plan								
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount							
11th Previous Month	\$ 130,472	\$ 52,540							
10th Previous Month	137,600	54,008							
9th Previous Month	161,007	42,758							
8th Previous Month	108,745	51,942							
7th Previous Month	91,880	104,944							
6th Previous Month	148,897	146,684							
5th Previous Month	136,939	81,870							
4th Previous Month	172,483	64,001							
3rd Previous Month	378,302	92,897							
2nd Previous Month	1,364,581	67,315							
Previous Month	207,516	70,837							
Current Month	127,650	68,003							
Total 12 Month O&M	\$ 3,166,074	\$ 897,799							

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	3,166,074	\$		897,799				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8					
Pollution Control Cash Working Capital Allowance	\$	395,759	\$		112,225				

Pollution Control - Operations & Maintenance Expenses For the Month Ended: November 30, 2012

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2005 Plan				
502056-ECR Scrubber Operations			82,747.64	82,747.64
512055-ECR Scrubber Maintenance			-	
Total 2005 Plan O&M Expenses			82,747.64	82,747.64
2006 Plan				
506159 - ECR Sorbent Injection Operation			3,080,93	3,080,93
506152 - ECR Sorbent Reactant - Reagent Only			-	-
512152 - ECR Sorbent Injection Maintenance			136.10	136.10
506150 - ECR Mercury Monitors Operation	842.	2,260,28	1,043.59	4,146.69
512153 - ECR Mercury Monitors Maintenance	-	-	-	
502056 - ECR Scrubber Operations			-	_
512055 - ECR Scrubber Maintenance			22,262,64	22,262,64
506154 - ECR NOx Operation Consumables				-
506155 - ECR NOx Operation Labor and Other			821.04	821.04
512151 - ECR NOx Maintenance			6,146.53	6,146.53
506051 - ECR Precipitator Operation			1,338,95	1,338.95
506151 - ECR Activated Carbon			(105.48)	(105.48
512051 - ECR Precipitator Maintenance			- 1	-
Total 2006 Plan O&M Expenses	\$ 842.3	32 2,260.28	34,724.30	37,827.40
2009 Plan				
502013 - ECR Landfill Operations	-		-	-
512107 - ECR Landfill Maintenance	-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			-
Net 2009 Plan O&M Expenses	-		-	_
Subtotal - Pre-2011 Plans	842.	82   2,260.28	117,471.94	120,575.04
2011 Plan				
502056 - ECR Scrubber Operations		_		-
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation		-	11,581.75	11,581.75
506152 - ECR Sorbent Reactant - Reagent Only			55,142.07	55,142,07
512152 - ECR Sorbent Injection Maintenance		-	1,279,54	1,279.54
506156 - ECR Baghouse Operations		_	-	-
512156 - ECR Baghouse Maintenance		_	-	-
506151 - ECR Activated Carbon		_	-	-
Adjustment for Base Rates Baseline Amounts		-		-
Total 2011 Plan O&M Expenses		-	68,003.36	68,003.36
Current Month O&M Expense for All Plans	\$ 842.8	82   \$ 2,260.28	\$ 185,475.30   5	188,578.40

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2012

On Gita GCD Discussed ORM Frances	Gara Para	Triville Court
On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	- \$	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: November 30, 2012

Third Party	O&M Expense Account	Plant	To	otal O&M				
Charah, Inc.	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,074.51				
Total Monthly Be	eneficial Reuse Expense		<u> </u>  \$	7,074.51				
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)  Net Beneficial Reuse O&M Expense							

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ 7,074.51	\$ 7,074.51
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	-	\$ 7,074.51	\$ 7,074.51
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -	\$ (210,822.03)	\$ (210,822.03)
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ (17,568.50)	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ 24,643.01	\$ 24,643.01
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ 17,568.50	\$ 17,568.50
701: (0) 6				
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%.

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)									
Month	Revenues Fuel Component Revenues Revenues Revenues (2)+(3)+(4)+(5)+(6)						Total Excluding Environmental Surcharge (7)-(6)			
Dec-11	\$ . 19,118,883	\$ 6,721,406	\$ 692,251	\$ 725,481	\$ 70,722	\$ 27,328,743	\$	27,258,021		
Jan-12	22,522,340	8,201,363	994,616	859,027	123,538	\$ 32,700,884	\$	32,577,346		
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077		
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476		\$	26,372,598		
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	7	\$	24,428,012		
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267		
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202		
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342		
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625		
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486		
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867		
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629		
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								32,511,956		
				ending with Current Mo	nth =		\$	77,624,682		
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-month	is ending with the Currer	nt Month				41.88%		

		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	\$ 24,749,375	\$ 12,161,662	\$ 1,252,433	\$ 315,812	\$ 98,162						
Jan-12	26,659,672	13,394,478	1,571,373	403,116		\$ 42,184,820					
Feb-12		11,327,521	1,559,054	369,836	157,709	\$ 37,086,035	\$ 36,928,326				
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391			
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117			
. May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465			
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777			
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547			\$ 35,486,720			
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802		\$ 54,110,489				
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589		\$ 46,587,492				
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418						
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447			
for 12 Months Endin	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =										
		al Revenues for 12-month			nin =		\$ 77,624,682 58.12%				

**Reconciliation of Reported Revenues** 

For the Month Ended: November 30, 2012

			Revenues per	Re	evenues per	
		Form 3.00		Inco	Income Statement	
Kentuc	ky Retail Revenues					
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	62,702,776	\$	62,702,776	
(2)	Fuel Adjustment Clause	\$	5,932,332	\$	5,932,332	
(3)	DSM	\$	1,220,585	\$	1,220,585	
(4)	Environmental Surcharge			\$	935,101	
(5)	CSR Credits			\$	(227,853)	
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	69,855,693			
Non -Ju	risdictional Revenues					
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	12,892,341	\$	12,892,341	
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	12,892,341			
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	82,748,034			
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		84.42%			
1						
Reconc	iling Revenues					
(10)	Brokered	\$	_	\$	-	
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-	
(12)	Unbilled			\$	(1,620,194)	
(13)	Miscellaneous			\$	1,797,538	
(14)	Total Company Revenues per Income Statement =			\$	83,632,625	

JAN 18 200 Proy



Louisville Gas and **Electric Company** 

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213



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), Louisville Gas and Electric Company ("LG&E") 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. 2012-00208, LG&E 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.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in December 2012.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

12/5/2012

INVOICE #:

20121102

**NVOICE PERIOD:** 

11/1/2012-11/30/2012

PROJECT NAME:

KPSC Commission Case #2012-00469

AGE PROJECT #:

2012-63

FIRM INVOICED: Daryl E. Newby
Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

#### PROJECT DESCRIPTION:

KPSC Commission Case #2012-00469

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS		
Walt Drabinski Chuck Buechel Mike Boismenu	1/1/2012-11/30/2012 11/1/2012-11/30/2012 1/1/2012-11/30/2012	8	\$260 \$240 \$240	\$3,120.00 \$2,160.00 \$1,920.00		\$3,120.00 \$2,160.00 \$1,920.00			
SUB TOTALS 29 \$7,200.00 \$0.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00 \$7,200.00									
OVERNIGHT MAIL	•						\$0.00 \$0.00		
COPYING - Black/ COPYING - Color MISCELLANEOUS							\$0.00 \$0.00		
Invoice Amount \$7,200									
TOTAL MONTH	FOTAL MONTHLY INVOICE AMOUNT \$7,200.00								

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.

#### .EASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski 305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of December 2012

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1,10, line 16	=	\$ 371,345
Group 1 ES Billing Factor ES Form 1.10, line 18	=	1.14%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 517,252
Group 2 ES Billing Factor ES Form 1.10, line 18	=	1.80%

Effective Date for Billing: February billing cycle beginning January 30, 2013

ubmitted by:

Title: Director, Rates

Date Submitted: January 18, 2013

Calculation of Total E(m) and Group Surcharge Billing Factors

#### 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

		11 Environmental mpliance Plans	2011 Environmental Compliance Plans
(I) RB	=	\$ 77,528,695	\$ 71,031,222
(2) RB/12	=	\$ 6,460,725	\$ 5,919,269
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.85%	10.40%
(4) OE	=	\$ 392,016	\$ 100,105
(5) BAS	=	\$ -	Not Applicable
(6) BR	=	\$ 	Not Applicable
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$ 1,093,004	\$ 715,709
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)		\$ 1,808,713	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	88.33%
(10)	Jurisdictional E(m) = Total E(m) $\times$ Jurisdictional Allocation Ratio [(8) $\times$ (9)]	= \$	1,597,636
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	-
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	= ′	709,039
(14)	Adjusted Net Jurisdictional E(m) [(10)+(11)+(12)-(13)]	= .	888,597

Calculation of Group Environmental Surcharge Billing Factors

		GROUI	P 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.79%	58.21%
(16)	Group E(m) [(14) x (15)]	= \$	371,345 \$	517,252
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	32,595,533 \$	28,732,576
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	1.14%	1.80%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2012

Determination of Environmental Compliance Rate Base

Determination of Environmental Compliance Nate Base							
	Pre	-2011 Envirome	ntal C	ompliance Plans	2011 Enviromen	al Co	mpliance Plan
Eligible Pollution Control Plant	\$	80,766,931	. (		\$ 1,965,028		
Eligible Pollution CWIP Excluding AFUDC		9,031,956			69,330,565		
Subtotal			\$	89,798,887		\$	71,295,593
Additions:	Made						
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		2,246					
Cash Working Capital Allowance		395,743			116,465		
Subtotal				397,989			116,465
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant		7,015,686			34,675		
Pollution Control Deferred Income Taxes		5,652,495			346,161		
Subtotal				12,668,181			380,836
Environmental Compliance Rate Base			\$	77,528,695		\$	71,031,222

**Determination of Pollution Control Operating Expenses** 

Determination of Foliution Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 130,342	\$ 86,463
Monthly Depreciation & Amortization Expense	244,914	6,304
less investment tax credit amortization	(14,527)	
Monthly Taxes Other Than Income Taxes	9,532	138
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	21,755	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		7,200
Total Pollution Control Operations Expense	\$ 392,016	\$ 100,105

Determination of Beneficial Reuse Operating Expenses

	Enviro	onmental
•	Compli	iance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

Troceds From Dy-1 router and Anowance Sales			
	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales		-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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	Deferred Tax Balance as of 12/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek	\$ 4,818,430		\$ 342,280	\$ 4,565,296			\$ 10,067	
Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6	\$ 850,100	\$ 540,566 \$ 153,706 \$ 72,321		\$ 5,051,494 \$ 696,394 \$ 236,187	\$ 131,124		\$ 10,300 \$ 2,564 \$ 1,147	\$ . 91
Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ -	\$ - \$ 1,786,496	\$ - \$ -	\$ - \$ 5,574,581	\$ -		\$ - \$ 22,206	\$ -
Subtotal Less Retirements and Replacement resulting	\$ 18,933,180	\$ 3,148,503	\$ 339,275	\$ 16,123,952	\$ 2,674,598		\$ 46,283	\$ 2,042
from implementation of 2005 Plan	\$ (2,520,865)	` ` '	s -	\$ (1,551,534)	\$ (384,695)		\$ (5,253)	\$ (194)
Net Total - 2005 Plan:	\$ 16,412,315	\$ 2,179,172	\$ 339,275	\$ 14,572,418	\$ 2,289,903		\$ 41,030	\$ 1,848
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ 44,236,424 \$ 3,440,076 \$ 2,050,346 \$ 397,151	\$ 483,930 \$ 388,372	\$ \$	\$ 41,266,304 \$ 2,956,147 \$ 1,661,974 \$ 298,074	\$ 447,119 \$ 77,623		\$ 155,174 \$ 9,777 \$ 8,867 \$ 1,361	\$ 384 \$ 221
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ 50,123,997 \$ -	\$ 4,572,769 \$ -	\$ 631,270 \$ -	\$ 46,182,498 \$ -	\$ 2,207,249	\$ 14,527 \$ -	\$ 175,178 \$ -	\$ 5,947 \$ -
Net Total - 2006 Plan:	\$ 50,123,997	\$ 4,572,769	\$ 631,270	\$ 46,182,498	\$ 2,207,249	\$ 14,527	\$ 175,178	\$ 5,947
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ 4,636,272	\$ -	\$ 684,639 \$ 7,512,997	\$ 7,512,997	) \$ - \$ 310,005 \$ -		\$ - \$ 20,438 \$ - \$ 8,268	\$ 400
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 14,230,619 \$ -	\$ 263,745 \$ -	\$ 8,061,411 \$ -	\$ 22,028,285 \$ -	\$ 1,155,342 \$ -		\$ 28,706 \$ -	\$ 1,737 \$ -
Net Total - 2009 Plan:	\$ 14,230,619	\$ 263,745	\$ 8,061,411	\$ 22,028,285	\$ 1,155,342		\$ 28,706	\$ 1,737
Subtotal - Pre-2011 Plans:	\$ 80,766,931	\$ 7,015,686	\$ 9,031,956	\$ 82,783,201	\$ 5,652,495	5 \$ 14,527	\$ 244,914	\$ 9,532

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	Deferred Tax Balance as of 12/31/2012	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County, Unit 1 Air Compliance	\$ 1,965,028 \$ -	\$ 34,675 \$ -	\$ 64,836,266 \$ 4,494,299	1 ' '			\$ 6,304 \$ -	\$ 135 \$ 3
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 1,965,028 \$ -	\$ 34,675 \$ -	\$ 69,330,565 \$ -	\$ 71,260,918 \$ -	\$ 346,161 \$ -		\$ 6,304 \$ -	\$ 138 \$ -
Net Total - 2011 Plan:	\$ 1,965,028	\$ 34,675	\$ 69,330,565	\$ 71,260,918	\$ 346,161	-	\$ 6,304	\$ 138
Net Total - All Plans:	\$ 82,731,959	\$ 7,050,360	\$ 78,362,521	\$ 154,044,119	\$ 5,998,656	\$ 14,527	\$ 251,219	\$ 9,670

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: December 31, 2012

Vintage Year	Nur	nber of Allowan	ces	Tot	al Dollar	Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season		1	Annual	Ozone Season	
Current Year	93,940	343	903	\$ 894.68	\$	13,750.23	\$ 173.68	
2013	62,379							
2014	62,379							
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							,
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032 - 2041	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of December 2012

	Beginning	Allocations/	Utilized	Utilized	1	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
OTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	101,078	. 0		0	0		
Dollars	\$ 962.66		\$ 67.98		\$ -	\$ 894.68	
S/Allowance	\$ 0.01	\$ -	\$ 0.01		-	\$ 0.01	
	LLOWANCES FRO	OM EPA: COAL F					
Quantity	98,388	-	7,069		-	91,319	
Dollars	\$ 928.43	\$ -	\$ 67.33	\$ -	\$ -	\$ 861.10	
				<u> </u>			
	•						
	LLOWANCES FRO			<b>-</b>		7	
Quantity	LLOWANCES FRO	-	69		-	2,621	
Quantity	LLOWANCES FRO	-			\$ -	\$ 2,621 \$ 33.58	
Quantity	LLOWANCES FRO	-	69				
Quantity Dollars	2,690 \$ 34.23	\$ -	69				
Quantity Dollars  ALLOWANCES	LLOWANCES FRO	\$ -	69			\$ 33.58	
Quantity Dollars  ALLOWANCES From Market:	LLOWANCES FRO 2,690 \$ 34.23 FROM PURCHAS	-  \$ -    ES:	\$ 0.65	\$ -	\$ -	\$ 33.58	
Quantity Dollars  ALLOWANCES From Market: Quantity	LLOWANCES FROM 2,690 \$ 34.23	ES:	\$ 0.65	-	-	\$ 33.58	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	2,690   \$ 34.23   FROM PURCHAS   -   \$ -	ES:	69 \$ 0.65	\$ - \$ -	\$ - \$ -	33.58	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	LLOWANCES FROM 2,690 \$ 34.23	ES:	\$ 0.65	-	-	\$ 33.58	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,690   \$ 34.23   FROM PURCHAS   -   \$ -	ES:	69 \$ 0.65	\$ - \$ -	\$ - \$ -	33.58	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,690   \$ 34.23	ES: - \$ - \$ -	69 \$ 0.65	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 33.58 - \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU Quantity	### Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison of Comparison o	ES:	\$ 0.65	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 33.58	
Quantity Dollars  ALLOWANCES	2,690   \$ 34.23	ES: - \$ - \$ -	69 \$ 0.65	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 33.58 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of December 2012

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or				
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years				
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS							
Quantity	903	0	0	0	0	903					
Dollars	\$ 173.68		\$ -	\$ -	\$	\$ 173.68					
\$/Allowance	\$ 0.19	\$ -	\$ -	-	\$ -	\$ 0.19					
ALLOCATED AL	ALLOCATED ALLOWANCES FROM EPA: COAL FUEL										
Quantity	837	-	-	-	-	837					
Dollars	\$ 160.99	\$ -	\$ -	\$ -	-	\$ 160.99					
ALLOCATED AL	LOWANCES FRO	OM EPA: OTHER	FUELS -			66					
Dollars	\$ 12.69	s -	\$ -	\$ -	s -	\$ 12.69					
ALLOWANCES I	FROM PURCHAS	ES:	1								
	. 0	0	0	0	0	0					
Quantity Dollars		s -	-			1					
\$/Allowance	\$ -	S -	\\$ -		\$ -	-					
3/Allowance	3 -	1 3 -	-	-	] 3 -	-					
From KU:	1	T	1	T	1	1					
Quantity	0	0	0	0	0	0					
Dollars	\$ -	s -	\$ -	\$ -	s -	\$ -					
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
φ/1 HIOWAIICC	ΙΨ	1.4	1.*	1 4	<u> </u>	ΙΨ -					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of December 2012

	Beginnin	g	Allocations/	T	Utilized		Utilized				Ending	Allocation, Purchase, or
	Inventor	y	Purchases		(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	N ALLOWA	NCES				ATI(						
Quantity		773	94		1,375		3		0		343	
Dollars	\$ 1,13	88.97	\$ 35,255.2		22,644.01	\$	_	\$		\$	13,750.23	
\$/Allowance	\$	1.47	\$ 37.1	9 \$	16.47	\$	_	\$		\$	40.09	
ALLOCATED AI	ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity		500	-		1,321		-		-			Ending inventory includes purchases from the market and
Dollars	\$ 1,13	38.97	\$ (12,554.9	4) \$	21,754.72	\$	-	\$	-	\$	2,084.58	KU as shown below. Adjusted Ending Inventory Dollars
										Г		to reflect non-recoverable allowance value
ALLOCATED AT	LLOWANCES			R FU	ELS 54		3				216	Adjusted Ending Inventory Dollars to reflect
Quantity		273		-		_	3	•		-		non-recoverable allowance value.
Dollars	\$	-	\$ 12,554.9	4 \$	889.29	3		\$		\$	11,005.05	non-recoverable allowance value.
ALLOWANCES	FROM PURC	CHASI	ES:								•	
From Market:										_		
Quantity	<u> </u>	0	82		0		0		0	-	0	Purchased 824 allowances from the market included in
Dollars	\$		\$ 33,674.0			\$		\$	-	\$	-	Ending Inventory - Coal Fuel shown above
\$/Allowance	\$	-	\$ 40.8	7 \$		\$	_	\$	-	\$	-	
From KU:										$\perp$		
Quantity		0	12		0	<u></u>	0		0	_		Purchased 124 allowances from the KU included in
Dollars	\$		\$ 1,581.2			\$		\$	_	\$		Ending Inventory - Coal Fuel shown above
\$/Allowance	\$	-	\$ 12.7	5 \$	_	\$	-	\$	-	\$		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2012

Env	Environmental Compliance Plan									
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount								
11th Previous Month	\$ 137,600	\$ 54,008								
10th Previous Month	161,007	42,758								
9th Previous Month	108,745	51,942								
8th Previous Month	91,880	104,944								
7th Previous Month	148,897	146,684								
6th Previous Month	136,939	81,870								
5th Previous Month	172,483	64,001								
4th Previous Month	378,302	92,897								
3rd Previous Month	1,364,581	. 67,315								
2nd Previous Month	207,516	70,837								
Previous Month	127,650	68,003								
Current Month	130,342	86,463								
Total 12 Month O&M	\$ 3,165,944	\$ 931,722								

Determination of	Working	Capital Allowance	٠	
12 Months O&M Expenses	\$	3,165,944	\$	931,722
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8
Pollution Control Cash Working Capital Allowance	\$	395,743	\$	116,465

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2012

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
Court England Total				
2005 Plan			GC 200 C2	76 200 62
502056-ECR Scrubber Operations			76,299.63	76,299.63
512055-ECR Scrubber Maintenance			76,299.63	76,299.63
Total 2005 Plan O&M Expenses	The section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the section of the se	<u>an ann an airte ann an airte an an an an an an an an an an an an an </u>	70,299.03	70,299,03
2006 Plan				
506159 - ECR Sorbent Injection Operation			1,943.98	1,943.98
506152 - ECR Sorbent Reactant - Reagent Only			46.04	46.04
512152 - ECR Sorbent Injection Maintenance	C		152.06	152.06
506150 - ECR Mercury Monitors Operation	- 1	-	1,151.54	1,151.54
512153 - ECR Mercury Monitors Maintenance	-	-	-	-
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance			37,931.34	37,931.34
506154 - ECR NOx Operation Consumables			72.88	72.88
506155 - ECR NOx Operation Labor and Other			4,614.07	4,614.07
512151 - ECR NOx Maintenance			4,877.30	4,877.30
506051 - ECR Precipitator Operation			1,721.67	1,721.67
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance			1,531.25	1,531.25
Total 2006 Plan O&M Expenses	\$ -	-	54,042.13	54,042.13
2009 Plan				
502013 - ECR Landfill Operations	_		-	-
512107 - ECR Landfill Maintenance			-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	
Net 2009 Plan O&M Expenses			-	-
Subtotal - Pre-2011 Plans		-	130,341.76	130,341.76
2011 Plan				
2011 Plan 502056 - ECR Scrubber Operations				-
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation			9,255,04	9,255,04
506152 - ECR Sorbent Reactant - Reagent Only			54,821.10	54,821.10
512152 - ECR Sorbent Injection Maintenance	<u></u>	-	-	
506156 - ECR Baghouse Operations				-
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	22,386,75	22,386.7:
Adjustment for Base Rates Baseline Amounts		-	22,200,70	
Total 2011 Plan O&M Expenses		-	86,462.89	86,462.89
A COMPANY A AND CONTRACTOR PROPERTY				
Current Month O&M Expense for All Plans	18 -	1\$ -	\$ 216,804.65   \$	216,804.6

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2012

On-Site CCP Disposal O&M Expense	Cane R	un	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1) 12 Months Ending with Expense Month	\$	-	\$ -
(2) Monthly Amount [(1) / 12]	\$	-	-
2009 Plan Project			
(3) Monthly Expense	\$		\$ -
Total Generating Station			
(4) Monthly Expense [(2) + (3)]	\$	_	\$ -
Base Rates			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	\$ -
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	-	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2012

Third Party	O&M Expense Account	Plant	Total O&M					
Total Monthly Be	neficial Reuse Expense		\$ -					
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61) \$ -							
Net Beneficial Re	use O&M Expense		\$ -					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2012

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
				-
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	-	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	\$ -
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	\$ -	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		:		
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	-	-	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

#### Page 674 of 1183 Conroy

## LOUISVILLE GAS AND ELECTRIC 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)										
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	F	Total Excluding Environmental Surcharge (7)-(6)			
Jan-12		\$ 8,201,363	\$ 994,616	\$ 859,027	\$ 123,538	\$ 32,700,884	\$	32,577,346			
Feb-12	20,523,395	7,224,301	1,044,463	770,918	127,119	\$ 29,690,196	\$	29,563,077			
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598			
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012			
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267			
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202			
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342			
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625			
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486			
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867			
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629			
Dec-12		6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945			
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.										
Average Kentucky.	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =										
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Currer	nt Month				41.79%			

		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-12	\$ 26,659,672	\$ 13,394,478	\$ 1,571,373	\$ 403,116	\$ 156,181	\$ 42,184,820						
Feb-12	23,671,915	11,327,521	1,559,054	369,836	157,709	\$ 37,086,035						
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391				
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117				
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465				
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777				
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720				
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802	\$ 54,331,291	\$ 54,110,489	\$ 34,444,027				
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	\$ 46,759,081	\$ 46,587,492	\$ 30,366,014				
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418	\$ 43,401,577	\$ 43,107,159	\$ 27,186,386				
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447				
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026				
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge and Fuel,									
	ng Current Expense Mor						\$ 45,406,772	\$ 28,732,576				
Average Kentucky.	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Me	onth =		\$ 78,002,305					
GROUP 2 Revenue	es as a Percentage of Tota	al Revenues for 12-mont	as ending with the Curre	nt Month			58.21%	a.				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: December 31, 2012

		Revenues per	Re	venues per
	·	Form 3.00		me Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 63,627,331	\$	63,627,331
(2)	Fuel Adjustment Clause	\$ 5,336,572	\$	5,336,572
(3)	DSM	\$ 1,304,878	\$	1,304,878
(4)	Environmental Surcharge		\$	622,870
(5)	CSR Credits		\$	(255,789)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 70,268,781		
Non -Ju	urisdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 9,280,432	\$	9,280,432
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,280,432		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 79,549,213		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	88.33%		
Recond	iling Revenues			
(10)	Brokered	\$ _	\$	
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	
(12)	Unbilled		\$	3,550,608
(13)	Miscellaneous		\$	1,622,352
(14)	Total Company Revenues per Income Statement =		\$	85,089,255



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 RECEIVED

FEB 1 8 2013

PUBLIC SERVICE COMMISSION Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

February 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E 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. 2012-00222, all costs associated with the 2005 and 2006 ECR Plans, with the exception of Project 17 – Emission Allowances, are removed from the ECR monthly filing. LG&E 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.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in January 2013.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE:

12/31/2012

INVOICE#;

20121203

NVOICE PERIOD:

12/1/2012-12/31/2012

PROJECT NAME:

KPSC Commission Case #2012-00469

AGE PROJECT #:

2012-63

FIRM INVOICED: Daryl E. Newby

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky 40602

#### PROJECT DESCRIPTION:

KPSC Commission Case #2012-00469

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS		
Walt Drabinski Chuck Buechel Mike Boismenu	2/1/2012-12/31/2012   2/1/2012-12/31/2012   2/1/2012-12/31/2012	46 40 29	\$260 \$240 \$240	\$11,960.00 \$9,600.00 \$6,960.00	,	\$11,960.00 \$9,600.00 \$6,960.00			
SUB TOTALS		115		\$28,520.00	\$0.00	\$28,520.00			
TOTAL FEES							\$28,520.00		
TOTAL PERSONA	L EXPENSES						\$0.00		
OVERNIGHT MAIL							\$0.00		
COPYING - Black/	White						\$0.00		
COPYING - Color							\$0.00		
MISCELLANEOUS	1					-			
Invoice Amount	sycice Amount \$28,520.0								
						-			
TOTAL MONTH	OTAL MONTHLY INVOICE AMOUNT \$28,520.00								

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.

#### .EASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski 305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of January 2013

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 174,853
Group 1 ES Billing Factor ES Form 1.10, line 18	=	0.53%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	=	\$ 241,562
Group 2 ES Billing Factor ES Form 1.10, line 18	=	0.84%

Effective Date for Billing: March billing cycle beginning February 28, 2013

Submitted by:

Title: Director, Rates

Date Submitted: February 18, 2013

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of January 2013

#### Calculation of Total E(m)

		011 Environmental ompliance Plans	2011 Environmental Compliance Plans
(1) RB	= \$	21,234,830 \$	80,563,392
(2) RB/12	= \$	1,769,569 \$	6,713,616
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.52%	10.52%
(4) OE	= \$	30,568 \$	101,879
(5) BAS	= \$	-	Not Applicable
(6) BR	= \$		Not Applicable
(7) $E(m)$ (2) $x(3) + (4) - (5) + (6)$	= \$	216,727 \$	808,151
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	\$	1,024,878	•

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	87.65%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	898,306
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	-
(12)	Prior Period Adjustment (if necessary)	= .	-
(13)	Revenue Collected through Base Rates	m2	481,891
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	-	416,415

Calculation of Group Environmental Surcharge Billing Factors

	Environmental Surcharge Dining Factors	GROU	P 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.99%	58.01%
(16)	Group E(m) [(14) x (15)]	= \$	174,853 \$	241,562
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	32,786,883 \$	28,610,048
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	0.53%	0.84%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2013

Determination of Environmental Compliance Rate Base

	Pre-201	1 Enviromen	ntal C	ompliance Plans	2011 E	Enviromenta	al Coi	npliance Plan
Eligible Pollution Control Plant	\$ 1	4,230,619			\$ 1	,965,028		
Eligible Pollution CWIP Excluding AFUDC		8,302,050			78	3,867,020		
Subtotal			\$	22,532,669			\$	80,832,048
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		7,673			:			
Cash Working Capital Allowance		156,748		spile 1		117,251		
Subtotal				164,421				117,251
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		290,642				38,834		
Pollution Control Deferred Income Taxes	1	1,171,618		Ø.e		347,073		
Subtotal				1,462,260				385,907
Environmental Compliance Rate Base	A		\$	21,234,830			\$	80,563,392

**Determination of Pollution Control Operating Expenses** 

Pre-2011	2011
Environmental	Environmental
Compliance Plan	Compliance Plan
\$ -	\$ 60,292
26,897	4,159
-	
2,754	8,908
917	
	-
	28,520
\$ 30,568	\$ 101,879
	Environmental Compliance Plan \$ - 26,897 - 2,754 917

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	nmental
	Complia	ance Plan
Total Monthly Beneficial Reuse Expense	\$	-
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
Net Beneficial Reuse Operations Expense	\$	-

Proceeds From By-Product and Allowance Sales

	Total		Am	ount in		Net
	Proc	eeds	Bas	se Rates	Proceeds	
	(1	()		(2)		(1) - (2)
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales				-		-
Total Proceeds from Sales	\$	-	\$	-	\$	-

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2013

(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
. Description	1	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2013		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
							-	(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek	\$	-	s	1	\$	I	\$	-	\$	-	s	-	\$	-	\$	-
Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5	\$ \$ \$ \$	-	\$ \$ \$ \$		\$ \$ \$		\$ \$ \$	- - -	\$ \$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	-
Project 16 - Scrubber Improvements at Trimble County Unit 1 Subtotal	S	-	\$		\$		\$	-	\$	-	\$	-	\$	-	\$	-
Less Retirements and Replacement resulting from implementation of 2005 Plan	s	-	\$	-	\$		\$	-	\$		\$	<u>-</u> ·	\$	-	\$	
Net Total - 2005 Plan:	\$		\$	-	\$	-	\$		\$		\$		\$	-	\$	-
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$	- - -	\$ \$ \$	·	\$ \$ \$	:	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	s s		\$	-	\$	-	\$	-	\$	-	\$	-
Net Total - 2006 Plan:	\$	-	\$	-	\$	-	\$	_	\$	-	\$	<u> </u>	\$	_	\$	-
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	- 9,594,347 - 4,636,272	\$ \$ \$	272,869 17,772	\$	(0) 632,932 7,757,973 (88,855)	\$	9,954,410 7,757,973	\$	324,009 - 847,609	1		\$ \$ \$	17,393 - 9,504	\$	- 1,253 939 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	\$	290,642	\$	8,302,050 -	\$		\$				\$	26,89	\$	2,754 -
Net Total - 2009 Plan:	\$	14,230,619	\$	290,642	\$	8,302,050	\$	22,242,027	7 \$	1,171,618	3		\$	26,89	7 \$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	\$	290,642	\$ \$	8,302,050	\$	22,242,027	7 \$	1,171,618	8		\$	26,89	7 \$	2,754

Compoyrm 2.10 Page 2 of 2

#### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 1/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 1,965,028 \$ -	\$ 38,834 \$ -	\$ 74,153,739 \$ 4,713,281				\$ 4,159 \$ -	\$ 8,346 \$ 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 1,965,028 \$ -	\$ 38,834 \$ -	\$ 78,867,020 \$ -	\$ 80,793,214 \$ -	\$ 347,073 \$ -		\$ 4,159 \$ -	\$ 8,908
Net Total - 2011 Plan:	\$ 1,965,028	\$ 38,834	\$ 78,867,020	\$ 80,793,214	\$ 347,073	\$ -	\$ 4,159	\$ 8,908
Net Total - All Plans:	\$ 16,195,647	\$ 329,476	\$ 87,169,070	\$ 103,035,241	\$ 1,518,690	\$	\$ 31,056	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: January 31, 2013

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	148,549	12,906	903	\$ 850.21	\$ 8,098.48	\$ 173.68	
2014	62,379						
2015	62,379						
2016	62,379						
2017	62,379						
2018 -	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of January 2013

93,940 62,379 894.68 \$ - 0.01 \$ -  ES FROM EPA: COAL 91,319 59,98	VENTORY, ALL CLASSIFICATIONS  62,379	- \$ 0.01 - 143,681	Sale Date & Vintage Years  . Includes EPA allotment of 2013 vintage allowances
93,940 62,379 894.68 \$ - 0.01 \$ -  ES FROM EPA: COAL 91,319 59,98	62,379 7,770 0  - \$ 44.47 \$ - \$  - \$ 0.01 \$ - \$  A: COAL FUEL  59,989 7,627	- \$ 850.21 - \$ 0.01	
894.68 \$ - 0.01 \$ - ES FROM EPA: COAL 91,319 59,98	- \$ 44.47 \$ - \$ \$ - \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ 850.21 - \$ 0.01	
0.01 \$ - ES FROM EPA: COAL 91,319 59,98	- \$ 0.01 \$ - \$ A: COAL FUEL  59,989 7,627 4.90 \$ 43.65 \$ - \$	- \$ 0.01 - 143,681	
ES FROM EPA: COAL 91,319 59,98	A: COAL FUEL  59,989 7,627  4.90 \$ 43.65 \$ - \$	- 143,681	
91,319 59,98	59,989     7,627       4.90     \$ 43.65         -     \$		
91,319 59,98	59,989     7,627       4.90     \$ 43.65         -     \$		
861.10 \$ 4.9		- \$ 822.35	
	,		
	2,390 143 - (4.90) \$ 0.82 \$ - \$		Includes EPA allotment of 2013 vintage allowances
33.38 \$ (4.5	(4.90) 3 (3.82) 3 - 3	27.80	
RCHASES:			
	- \$ - \$ - \$		
- \$ -			
		L*	
1			
		s - s -	
	- \$	- \$ - \$ - \$ -	- \$ - \$ - \$ - \$ - \$

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of January 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO			Y, ALL CLASSIFI				
Quantity	903				0 0	903	
Dollars	\$ 173.68	\$ -	\$ -	\$ -	\$ -	\$ 173.68	
\$/Allowance	\$ 0.19	\$ -	\$ -	\$ -	-	\$ 0.19	
ALLOCATED A	LLOWANCES FR		FUEL	-			
Quantity	837		-	<u>-</u>		837	
Dollars	\$ 160.99	\$ -	- \$	\$ -	- \$	\$ 160.99	
					_ <u></u>		
ALLOCATED A	LLOWANCES FR		R FUELS			66	T
Dollars	\$ 12.69		\$ -	- s	\$ -	\$ 12.69	
Dollars	3 12.05	-	-	-	-	3 12.09	
ALLOWANCES From Market:	FROM PURCHA	SES:					
Quantity		0	0	0	0	0 0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	S -	\$ -	\$ -	\$ -	\$ -	
			1				
From KU:							
Quantity		0	0	0	0	0 0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of January 2013

	Beg	ginning	All	ocations/	Utilized	Т	Utilized				Ending	Allocation, Purchase, or
	Inv	entory	Pι	urchases	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALL	OWANCES	IN IN	VENTORY,	ALL CLASSIF	ICA'	TIONS					
Quantity		343		14,029	1,46	3	3		0		12,906	
Dollars	\$	13,750.23	\$	(4,680.00)	\$ 969.7	6 \$	1.99	\$	-	\$	8,098.48	
\$/Allowance	\$	40.09	\$	(0.33)	\$ 0.6	6 \$	0.66	\$		\$	0.63	
ALLOCATED AI	LOWA		M EP							_		
Quantity		127		13,229	1,3		_		-	_		Includes EPA allotment of 2013 vintage allowances
Dollars	\$	2,084.58	\$	6,345.21	\$ 917.	39 5	<u> </u>	\$		\$	7,512.40	
	L		<u> </u>					L		Ь.		
		NODO PRO										
ALLOCATED A	LLOWA		OM EP			70.				т	004	T 1 1 FD4 11
Quantity	-	216		800		79	3	_		+		Includes EPA allotment of 2013 vintage allowances
Dollars	\$	11,665.65	3	(11,025.21)	\$ 52.	37	\$ 1.99	\$	-	\$	586.08	
			l		L							L
ALLOWANCES	EDOM	DIDCHAS	TC.									
From Market:	TROM.	UNCLIAS	T.					_		Т		
Quantity		0	+	0		0	0	+	0	+	0	
Dollars	\$		\$		\$ -		\$ -	\$		\$		
\$/Allowance	\$		\$		\$	_	\$ -	\$		\$		
\$12 illowance	ΙΨ		Ψ.					Ψ_		φ		
From KU:			Т			T		$\Box$		T		
Quantity		0		0		0	0	T	0	1		
Dollars	\$	-	\$		\$		\$ -	\$		1 5	\$ -	
\$/Allowance	\$	-	\$		\$		\$ -	\$		1 5		
	<u> </u>						·	1.7			<u></u>	
						_						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2013

Env	vironmental Compliance Plan		
O&M Expenses	Pre-2011 Plans Amount		2011 Plan Amount
11th Previous Month	\$	- \$	42,758
10th Previous Month	5,9	85	51,942
9th Previous Month	-		104,944
8th Previous Month	·		146,684
7th Previous Month	5,5	35	81,870
6th Previous Month	19,1	65	64,001
5th Previous Month	12,8	34	92,897
4th Previous Month	1,192,1	71	67,315
3rd Previous Month	11,2	18	70,837
2nd Previous Month	7,0	75.	68,003
Previous Month	-		86,463
Current Month	-		60,292
Total 12 Month O&M	\$ 1,253,98	33 \$	938,006

Determination of	Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	1,253,983	\$	938,006						
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	156,748	\$	117,251						

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2013

5 Plan  502056-ECR Scrubber Operations 512055-ECR Scrubber Maintenance Total 2005 Plan O&M Expenses  6 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 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-		- - - - - - - - - -	
502056-ECR Scrubber Operations 512055-ECR Scrubber Maintenance Total 2005 Plan O&M Expenses  6 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 Operation 512153 - ECR Scrubber Operations 512055 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-			
Total 2005 Plan O&M Expenses  6 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 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-			
16 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 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-	- - - - - -	
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 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-		
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 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-		
506152 - ECR Sorbent Reactant - Reagent Only 512152 - ECR Sorbent Injection Maintenance 506150 - ECR Mercury Monitors Operation 512153 - ECR Mercury Monitors Maintenance 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-	-	
512152 - ECR Sorbent Injection Maintenance 506150 - ECR Mercury Monitors Operation 512153 - ECR Mercury Monitors Maintenance 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-		-
506150 - ECR Mercury Monitors Operation 512153 - ECR Mercury Monitors Maintenance 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-		-
512153 - ECR Mercury Monitors Maintenance 502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-	-	-	-
502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance			-	-
512055 - ECR Scrubber Maintenance	-			
	- -		-	
506154 - ECR NOx Operation - Consumables				_
506155 - ECR NOx Operation Labor and Other	·		-	
512151 - ECR NOx Maintenance			-	
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance			-	
Total 2006 Plan O&M Expenses	-	-	-	-
09 Plan				
502013 - ECR Landfill Operations	-			
512107 - ECR Landfill Maintenance	_			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			
Net 2009 Plan O&M Expenses	-		-	_
Subtotal - Pre-2011 Plans	<u> </u>	-	-	-
011 Plan				
502056 - ECR Scrubber Operations		-		-
512055 - ECR Scrubber Maintenance		_		-
506159 - ECR Sorbent Injection Operation		-	15,164.40	15,164.4
506152 - ECR Sorbent Reactant - Reagent Only			43,343.47	43,343.4
512152 - ECR Sorbent Injection Maintenance		-	1,783.69	1,783.
506156 - ECR Baghouse Operations		_	_	-
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	-	
Adjustment for Base Rates Baseline Amounts		-		
Total 2011 Plan O&M Expenses			60,291.56	60,291
Current Month O&M Expense for All Plans			\$ 60,291.56	\$ 60,291

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	Ψ
(2) Monthly Amount [(1) / 12]	\$ -	- \$
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		<u> </u>
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	- \$	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M
·			
Total Monthly Ber	neficial Reuse Expense		\$ -
	neficial Reuse in Base Rates (from ES Form 2.6	1)	\$ -
Net Beneficial Ret	ise O&M Expense		\$ -

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2013

On-Site CCP Disposal O&M Expense	Can	ie Run	Mi	ll Creek	Trimb	ole County	Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)								
(1) 12 Months Ending with Expense Month	\$	_	\$		\$	<u> </u>	\$	
(2) Monthly Amount [(1) / 12]	\$		\$		\$		\$	-
2000 DI D								
2009 Plan Project 25			Φ.		0		•	
(3) Monthly Amount (Expense/Revenue)	\$		\$		\$		\$	-
Total Beneficial Reuse - Generating Station					<del> </del>			
(4) Monthly Expense [(2) + (3)]	\$		\$	_	\$	_	\$	
(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]	\$	-	\$	-	\$	_	\$	
					ļ			
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	-	\$	-	\$	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	-	\$	-	\$	
If Line (8) Greater than Zero, No Adjustment					<del> </del>			
If Line (8) Greater than Zero, No Adjustment  If Line (8) Less than Zero, Adjustment for Base Rates								
11 Line (6) Less than Zero, Adjustment for Base Rates			<u> L</u>					
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%.

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 Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)
Feb-12	\$ 20,523,395	\$ 7,224,301	\$ 1,044,463	\$ 770,918	\$ 127,119	\$ 29,690,196	\$	29,563,077
Mar-12	18,354,087	6,219,675	1,136,442	662,394	176,476	\$ 26,549,074	\$	26,372,598
Apr-12	16,915,354	5,576,596	1,219,782	716,279	136,901	\$ 24,564,913	\$	24,428,012
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	. 135,410	\$ 36,723,612	\$	36,588,202
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920		\$	25,927,629
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543
Average Monthly J	urisdictional Revenues, I	Excluding Environmental	Surcharge,					
	ing Current Expense Mo						\$	32,786,883
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current M	onth =		\$	78,091,523
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	ths ending with the Curre	ent Month				41.99%

			GRO	UP 2 (Net Revenues) - k	Centucky Jurisdictional R	evenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total  (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Feb-12	\$ 23,671,915	\$ 11,327,521	\$ 1,559,054	\$ 369,836	\$ 157,709	\$ 37,086,035	\$ 36,928,326	\$ 24,041,750
Mar-12	26,248,353	12,651,096	2,161,818	364,037	265,657	\$ 41,690,961	\$ 41,425,304	\$ 26,612,391
Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914	\$ 43,967,441	\$ 43,732,527	\$ 27,384,117
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	\$ 27,300,465
Jun-12	32,117,929	15,784,878	3,634,227	. 611,848	201,644	\$ 52,350,526	\$ 52,148,882	\$ 32,729,777
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802	\$ 54,331,291	\$ 54,110,489	\$ 34,444,027
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	\$ 46,759,081	\$ 46,587,492	\$ 30,366,014
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418	\$ 43,401,577	\$ 43,107,159	\$ 27,186,386
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059	\$ 25,592,450
	urisdictional Revenues, E ing Current Expense Mor		Surcharge and Fuel,				\$ 45,304,640	\$ 28,610,048
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current M	onth =		\$ 78,091,523	
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			58.01%	85

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2013

			Revenues per	D.	evenues per
			Form 3.00		me Statement
Vantual	lay Datail Dayannas		Tom 5.00	шсо	ine Statement
	ky Retail Revenues	Φ.	(0.246.012	Φ.	60.246.012
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	69,346,913	\$	69,346,913
(2)	Fuel Adjustment Clause	\$	4,845,215	\$	4,845,215
(3)	DSM	\$	1,484,473	\$	1,484,473
(4)	Environmental Surcharge			\$	607,136
(5)	CSR Credits			\$	(341,726
(6).	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	75,676,602		
Non -Ju	urisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	10,658,093	\$	10,658,093
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	10,658,093		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	86,334,695		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		87.65%		
Recond	ciling Revenues				
(10)	Brokered	\$	-	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled	T		\$	2,631,784
(13)	Miscellaneous			\$	1,431,10
(14)	Total Company Revenues per Income Statement =			\$	90,662,99

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

March 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E 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 LG&E'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,

Robert M. Conroy

Enclosures

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE: INVOICE#: 2/1/2013 2013104

**NVOICE PERIOD:** 

01/01/2013-01/31/2013

PROJECT NAME:

KPSC Commission Case #2012-00469

AGE PROJECT #:

2012-63

FIRM INVOICED: Daryl E. Newby

Kentucky Public Service Commission

P.O. Box 615

211 Sower Boulevard Frankfort, Kentucky. 40602

#### PROJECT DESCRIPTION:

KPSC Commission Case #2012-00469

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Walt Drabinski Chuck Buechel Mike Boismenu	/01/2013-01/31/2013 /01/2013-01/31/2013 /01/2013-01/31/2013	30 26 0	\$260 \$240 \$240	\$7,800,00 \$6,240.00 \$0.00	\$1,362.87 \$258.47	\$9,162.87 \$6,498.47 \$0.00	
SUB TOTALS TOTAL FEES TOTAL PERSONA OVERNIGHT MAIL COPYING - Black/ COPYING - Color MISCELLANEOUS	- White	56		\$14,040.00	\$1,621.34	\$15,661.34	\$14,040.00 \$1,621.34 \$0.00 \$0.00 \$0.00
Invoice Amount TOTAL MONTH	ILY INVOICE AMO	OUNT			• 		\$15,661.34 \$15,661.34

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.

### EASE REMIT TO:

Vantage Energy Consulting, LLC. 21460 Overseas Hwy. Cudjoe Key, FL 33042 Attn: Walter P. Drabinski 305-744-3440

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE: INVOICE #: 2/1/2013

**INVOICE PERIOD:** 

20130114 01/01/2013-01/31/2013

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:

LGE Environmental Compliance / Monitoring

TOTAL PERSONAL EXPENSES  OVERNIGHT MAIL  COPYING - Black/White  COPYING - Color  MISCELLANEOUS  \$71  \$72  \$74	CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
TOTAL FEES TOTAL PERSONAL EXPENSES  OVERNIGHT MAIL COPYING - Black/White COPYING - Color MISCELLANEOUS  \$6,18 \$71 \$71 \$71 \$71 \$71 \$71 \$71 \$71 \$71 \$71	Chuck Buechel Mike Boismenu	1/01/2013-01/31/2013	10 6	\$240	\$2,400.00 \$1,440.00	\$100.00	\$2,500.00 \$1,440.00	
	TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/W COPYING - Color		25		\$6,180.00	\$714.01	\$6,894.01	\$6,180.00 \$714.01 \$0.00 \$0.00 \$0.00
TOTAL MONTHLY INVOICE AMOUNT \$6,894	Invoice Amount	V. INVOIGE 411011					•	\$6,894.01 \$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** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of February 2013

### **GROUP 1 (Total Revenue)**

	Group 1 E(m) ES Form 1.10, line 16	=	\$	359,609
	Group 1 ES Billing Factor ES Form 1.10, line 18	= ·		1.09%
		-	·.	
	GROUP 2 (Net Revenue)	•		
	Group 2 E(m) ES Form 1.10, line 16	=	\$	501,111
1	Group 2 ES Billing Factor ES Form 1.10, line 18	=		1.73%

Effective Date for Billing: April billing cycle beginning March 28, 2013

Title: Director, Rates

Date Submitted: March 18, 2013

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

### For the Expense Month of February 2013

#### Calculation of Total E(m)

	Pre-2011 Environmental Compliance Plans			
I) RB	= \$	21,129,677	\$ 96,83	31,774
2) RB/12	= \$	1,760,806	\$ 8,00	59,315
3) (ROR + (ROR - DR) (TR / (1 - TR)))	Ė	10.52%		10.52%
4) OE .	= \$	30,476	\$ 10	06,888
5) BAS	= '\$		Not Applicable	
5) BR	= \$	- 1	Not Applicable	
7) E(m) (2) x (3) + (4) - (5) + (6)	= \$	215,713	\$ 99	55,779
8) Total $E(m) = \text{sum of-Pre-2011 } E(m) + 2011 E(m)$	\$	1,171,492		

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	89.98%
(10)	$\label{eq:Jurisdictional} \text{Jurisdictional Allocation Ratio}  \text{[(8)} \times \text{(9)]}$	= \$	1,054,109
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	193,389
(14)	Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	=	860,720

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	GROUP 1 (Total Revenue)		UP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	-	41,78%		58,22%
(16)	Group E(m) [(14) x (15)]	= \$	359,609	\$	501,111
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	33,084,481	\$	29,032,688
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	==	1.09%		1.73%

## LOUISVILLE GAS AND ELECTRIC 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	2011 Environmental Compliance P		
Eligible Pollution Control Plant	\$	14,230,619			\$	1,983,783		
Eligible Pollution CWIP Excluding AFUDC		8,240,894				95,118,024		
Subtotal		100 AG	\$	22,47.1,513			. \$	97,101,807
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		6,848						
Cash Working Capital Allowance		156,748		1		121,268		
Subtotal				163,596				121,268
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		317,539				43,013		
Pollution Control Deferred Income Taxes		1,187,893				348,288		
Subtotal				1,505,432			`	391,301
Environmental Compliance Rate Base			\$	21,129,677			\$	96,831,774

**Determination of Pollution Control Operating Expenses** 

Determination of Fontion Control Operating Expenses		
	Pre-2011 Environmental	2011 Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 74,899
Monthly Depreciation & Amortization Expense	26,897	4,179
less investment tax credit amortization	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	825	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		18,902
Total Pollution Control Operations Expense	\$ 30,476	\$ 106,888

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	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-		-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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	Deferred Tax Balance as of 2/28/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$ - \$ - \$	\$ - \$ -	\$ - \$ -	s - s -	s - s -	s - s -	\$ - \$ - \$	\$ - \$ - \$ -
Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ -,	\$ - \$ -	\$ -	\$ - \$ -
Net Total - 2005 Plan:	\$	\$ -	\$ -	s -	\$ -	S -	\$ -	\$ -
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ - \$ - \$ - \$ -	s - s - s -	s - s - s -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	s - s - s - s -	s - s - s - s -	\$ - \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -
Net Total - 2006 Plan:	- \$	\$ -	\$ -	-	-	-	-	\$ '-
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ - \$ 9,594,34 \$ - \$ 4,636,27	2 \$ - 27,277	\$ 580,497 \$ 7,749,442 \$ (89,045)	\$ 7,749,442 \$ 4,519,950	\$ 338,013 \$ - \$ 849,880		\$ - \$ 17,393 \$ - \$ 9,504	\$ - \$ 1,253 \$ 939 \$ 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 14,230,61 \$ -	9 \$ 317,539	\$ 8,240,894 \$ -	\$ 22,153,974 \$ -	\$ 1,187,893 \$ -		\$ 26,897 \$ -	\$ 2,754 \$ -
Net Total - 2009 Plan:	\$ 14,230,61	9 \$ 317,539	\$ 8,240,894	\$ 22,153,974	\$ 1,187,893		\$ 26,897	\$ 2,754
Subtotal - Pre-2011 Plans:	\$ 14,230,61	9 \$ 317,539	\$ 8,240,894	\$ 22,153,974	\$ 1,187,893		\$ 26,897	\$ 2,754

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	Deferred Tax Balance as of 2/28/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance Subtotal Less Retirements and Replacement resulting	\$ 1,983,783 \$ - \$ 1,983,783	\$ -	\$ 90,102,841 \$ 5,015,183 \$ 95,118,024	\$ 5,015,183			\$ 4,179 \$ -	\$ 562
from implementation of 2011 Plan	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Net Total - 2011 Plan:	\$ 1,983,783	\$ 43,013	\$ 95,118,024	\$ 97,058,794	\$ 348,288	\$ -	\$ 4,179	\$ 8,908
· Net Total - All Plans:	\$ 16,214,402	\$ 360,552	\$ 103,358,918	\$ 119,212,768	\$ 1,536,181	\$ -	\$ 31,076	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: February 28, 2013

Vintage Year	Nur	nber of Allowand	ces	. Tot	tal Dollar	Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	,
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	141,829	11,515	903	\$ 811.76	\$	7,225.64	\$ 173.68	
2014	62,379	14,133	-					*
2015	62,379							
2016	62,379							
. 2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379					)		
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033 - 2042	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	148,549	0	6,720	0	0	141,829	
Dollars	\$ 850.21	\$ -	\$ 38.45	\$ -	\$ -	\$ . 811.76	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$	\$	\$ . 0.01	
ALLOCATED.	ALLOWANCES FR	OM EPA: COAL F	UEL ·				
Quantity	143,681	-	6,601		-	. 137,080	
Dollars	\$ 822.35	\$ -	\$ 37.77	\$ -	\$ -	\$ 784.58	
ALLOCATED.	ALLOWANCES FR	OM EPA: OTHER	FUELS				•
Quantity	4,868		119	-	١ -	4,749	
Dollars	\$ 27.86	\$ -	\$ 0.68	\$ -	\$ '-	\$ 27.18	
						,	•
ALLOWANCE	S FROM PURCHAS	ES:					
rom Market:							
Quantity	-	-	-	-	-	-	
Dollars	\$	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
rom KU		, ,				·	
Quantity	-	-	-	_	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

### For the Expense Month of February 2013

,	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			· ·
Quantity	903	0	0	0	0	903	1
Dollars	\$ 173.68	\$	\$ -	\$ -	\$ -	\$ 173.68	
\$/Allowance	\$ 0.19	\$	\$ -	\$ -	\$ -	\$ 0.19	
							•
	LLOWANCES FRO	OM EPA: COAL F	UEL	T			
Quantity	·837	-	-	-	-	837	
Dollars	\$ 160.99	\$ -	\$ -	\$ -	\$ -	\$ 160.99	
			l		<u> </u>	<u> </u>	
	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	66	· -	-	-	-	66	
Dollars	\$ 12.69	\$ -	\$ -	\$ -	\$ -	\$ 12.69	
	L	L	<u> </u>		L		
		<b>-</b>					•
	FROM PURCHAS	ES:	1	T	Ι	1	
From Market:			, ,				
Quantity	. 0	0		0	0	0	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	-	-	-	-	-	-	<u> </u>
F III.	<del></del>		1	T	T	T	
From KU:	-	-			0	0	
Quantity	0	0	0	0			
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	-	-	-	-	-	-	L

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - 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
	1 mromory	1 Turonases	(Courrect)	(Other ruess)	j bolu -	involuory	. Bule Bute & Things Tears
TOTAL EMISSI	ON ALLOWANC	ES IN INVENTOR	RY, ALL CLASSIFI	CATIONS .			
Quantity	12,900		0 1,389		0	11,515	
Dollars	\$ 8,098.4	3 \$	\$ 871.59	\$ 1.25	\$ -	\$ 7,225.64	
\$/Allowance	\$ 0.63	3 \$ -	\$ 0.63	\$ . 0.63	\$ -	\$ 0.63	
ALLOCATED A	LLOWANCES FE	RÓM EPA: COAL	FUEL				
Quantity	11,972	2 -	1,315	-	-	10,657	
Dollars	\$ 7,512.40	) \$ -	\$ 825.16	5 \$ -	\$ -	\$ 6,687.24	
	LLOWANCES FI	ROM EPA: OTHE					
Quantity	934		74			858	
Dollars	\$ 586.0	3 \$ -	\$ 46.43	\$ 1.25	\$ -	\$ 538.40	
							-
						,	
	FROM PURCHA	SES:					
From Market:							
Quantity	(	) -	0	0	0,	0	
Dollars	\$ -	\$ -	\$ -	\$	\$	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
From KU:							
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.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2013

Env	ironmental Compliance Plan	
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount
11th Previous Month	\$ 5,985	\$ 51,942
10th Previous Month	_	104,944
9th Previous Month	-	146,684
8th Previous Month	5,535	81,870
7th Previous Month	19,165	64,001
6th Previous Month	12,834	92,897
5th Previous Month	1,192,171	67,315
4th Previous Month	11,218	70,837
3rd Previous Month	7,075	68,003
2nd Previous Month	-	86,463
Previous Month	-	60,292
Current Month	-	74,899
Total 12 Month O&M	\$ 1,253,983	\$ 970,146

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$		1,253,983	\$	970,146			
One Eighth (1/8) of 12 Month O&M Expenses		, .	1/8		1/8			
Pollution Control Cash Working Capital Allowance	\$		156,748	\$	121,268			

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 28, 2013

	Г			
O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan				
502056-ECR Scrubber Operations			1	-
512055-ECR Scrubber Maintenance			-	-
Total 2005 Plan O&M Expenses	eri en en elle secol		-	-
006 Plan				
506159 - ECR Sorbent Injection Operation		n garage was sign	- 1	-
506152 - ECR Sorbent Reactant - Reagent Only			-	-
512152 - ECR Sorbent Injection Maintenance			-	-
506150 - ECR Mercury Monitors Operation	-		-	-
512153 - ECR Mercury Monitors Maintenance		-	-	-
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance			-	-
506154 - ECR NOx Operation Consumables			· , -	-
506155 - ECR NOx Operation Labor and Other				-
512151 - ECR NOx Maintenance			•	-
506051 - ECR Precipitator Operation				· -
506151 - ECR Activated Carbon				-
512051 - ECR Precipitator Maintenance			•	
Total 2006 Plan O&M Expenses	-	-	-	-
1000 71				
009 Plan 502013 - ECR Landfill Operations				
512107 - ECR Landfill Maintenance			-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)				
Net 2009 Plan O&M Expenses			-	-
1100 2009 Finit Otel Expenses				
Subtotal - Pre-2011 Plans	-		-	-
011 Plan				
502056 - ECR Scrubber Operations		-		-
512055 - ECR Scrubber Maintenance				-
506159 - ECR Sorbent Injection Operation		•	22,182.01	22,182.0
506152 - ECR Sorbent Reactant - Reagent Only		-	52,374.49	52,374.4
512152 - ECR Sorbent Injection Maintenance		-	342.00	342.0
506156 - ECR Baghouse Operations		-	-	-
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	-	-
Adjustment for Base Rates Baseline Amounts		-		-
Total 2011 Plan O&M Expenses		-	74,898.50	74,898.5
Name of March Old Programs for All Plans	Τ Φ	•	\$ 74,898.50	\$ 74,898.3
Current Month O&M Expense for All Plans	-	Φ -	j φ /4,098.30	φ /4,898

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	Ψ	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
	•	
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)]	\$ .	- \$ -
5.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1		
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-  \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 28, 2013

Third Party	O&M Expense Account	Plant	Total O&M					
			·					
		`						
Total Monthly Be	neficial Reuse Expense		\$ -					
Adjustment for Bo	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)							
	use O&M Expense		\$ -					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	-	\$ -	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	-	\$ -	\$ -
		•		
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -	\$ -	\$ -	\$ -
Total Beneficial Reuse - Generating Station				
(4)   Monthly Expense [(2) + (3)]	\$ -	\$ -	\$ -	\$ -
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	-	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	-	-	\$ -	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	-	-	-
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	- \$	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	-	\$ -	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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 Ju	risdictional Revenues						
(1)	(2)	(2) (3) (4) (5) (6) (7)									
Month	Non-fuel Base Rate Revenues	Non-fuel Environmental Base Rate Base Rate Fuel Clause DSM Surcharge Total									
Mar-12	\$ 18,354,087	\$ 6,219,675	\$ 1,136,442	\$ 662,394	\$ 176,476		\$	(7)-(6) 26,372,598			
Apr-12	16,915,354	5,576,596	1,219,782	716,279		\$ 24,564,913	\$	24,428,012			
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267			
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202			
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342			
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625			
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ · 39,062,646	\$	38,922,486			
Qct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867			
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629			
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102		\$	28,260,945			
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016		\$	34,873,543			
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260			
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.										
				ending with Current Mc	onth =		\$	79,179,394			
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-montl	ns ending with the Currer	nt Month			L	41.78%			

			GRO	OUP 2 (Net Revenues) - I	Kentucky Jurisdictional F	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	\$ 26,248,353	\$ 12,651,096		\$ 364,037	\$ 265,657	\$ 41,690,961	\$ 41,425,304	
· Apr-12	26,905,440	13,543,423	2,804,987	478,677	234,914		\$ 43,732,527	
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839		\$ 42,528,372	
. Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644			
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547			
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802			
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589			
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418			
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244		
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059	
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431
Average Monthly Ju	urisdictional Revenues, E	Excluding Environmental	Surcharge and Fuel,					
for 12 Months Endi	ng Current Expense Mon	nth.					\$ 46,094,912	\$ 29,032,688
Average Kentucky	Jurisdictional Revenues e	excluding Environmental	Surcharge for 12-months	ending with Current Mo	onth =		\$ 79,179,394	
GROUP 2 Revenue	s as a Percentage of Tota	al Revenues for 12-month	s ending with the Currer	nt Month			58.22%	

**Reconciliation of Reported Revenues** 

For the Month Ended: February 28, 2013

		Revenues per	Re	evenues per
		Form 3.00	1	me Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 72,844,103	\$	72,844,103
(2)	Fuel Adjustment Clause	\$ 5,336,188	\$	5,336,188
(3)	DSM	\$ 1,365,562	\$	1,365,562
(4)	Environmental Surcharge		\$	878,891
(5)	CSR Credits		\$	(204,519)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 79,545,852		
Non -Ju	risdictional Revenues	*		
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 8,862,497	\$	8,862,497
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 8,862,497		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 88,408,350		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$	89.98%		
1				
Reconc	iling Revenues			
(10)	Brokered	\$ _	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)	?	\$	_
(12)	Unbilled		\$	(3,972,446)
(13)	Miscellaneous		\$	1,250,390
(14)	Total Company Revenues per Income Statement =		\$	86,360,666

Louisville Gas and Electric Company

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

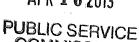
PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213





COMMISSION



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

April 16, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen;

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00208, LG&E 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** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of March 2013

### GROUP 1 (Total Revenue)

Group 1 E(m) ES Form 1.10, line 16	. =	\$	456,302
Group 1 ES Billing Factor ES Form 1.10, line 18	=		1.36%
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16	=	<b>\$</b> ·	628,323
Group 2 ES Billing Factor ES Form 1.10, line 18	=		2.17%

Effective Date for Billing: May billing cycle beginning April 26, 2013

Submitted by:

Title: Director, Rates

Date Submitted: April 16, 2013

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of March 2013

#### Calculation of Total E(m)

			Pre-2011 Environmental Compliance Plans		2011 Environmental Compliance Plans	
I) RB			= \$		21,598,317	\$ 118,335,460
2) RB/12 .			= \$		1,799,860	\$ 9,861,288
3) (ROR + (ROR - DR) (TR / (1 - TR)))			=		10.52%	10.52%
4) OE			= \$		30,492	\$ 81,238
5) BAS			= \$		282	Not Applicable
6) BR			= \$		<del>-</del> ,	Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	5)	•	= \$		219,556	\$ 1,118,645
8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(n	1)		\$		1',338,201	•

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	92.94%
(10)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(8) \times (9)]$	= \$	1,243,724
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00208	= \$	
(12)	Prior Period Adjustment (if necessary)	=	-
(13)	Revenue Collected through Base Rates	=	159,099
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	1,084,625

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	42.07%	57.93%
(16)	Group E(m) [(14) x (15)]	= \$	456,302	\$ 628,323
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	33,507,063	\$ 29,020,161
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	1.36%	2.17%

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2013

Determination of Environmental Compliance Rate Base

Determination of Environmental Computance Nate Base								
	Pre-	Pre-2011 Enviromental Compliance Plans			2011 Enviromental Compliance Plan			
Eligible Pollution Control Plant	\$	14,230,619			\$ 1,983,783			
Eligible Pollution CWIP Excluding AFUDC		8,754,357			116,625,100			
Subtotal			\$	22,984,976		\$ 118,608,883		
Additions:								
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		5,946						
Cash Working Capital Allowance		156,000			123,292			
Subtotal .				161,946		123,292		
Deductions:								
Accumulated Depreciation on Eligible Pollution Control Plant		344,436			47,212			
Pollution Control Deferred Income Taxes		1,204,169			349,503			
Subtotal				1,548,605		396,715		
Environmental Compliance Rate Base			\$	21,598,317		\$ 118,335,460		

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 68,131
Monthly Depreciation & Amortization Expense	26,897	4,199
less investment tax credit amortization		
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	841	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 30,492	\$ 81,238

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
	Comp	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		-
,		
Net Beneficial Rèuse Operations Expense	\$	<u>-</u>

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net ·
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ 282	\$ -	\$ 282
Scrubber By-Products Sales	-	-	
Total Proceeds from Sales	\$ 282	\$ -	\$ 282

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	Deferred Tax Balance as of 3/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
	1			(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$ -	\$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	S
Subtotal Less Retirements and Replacement resulting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
from implementation of 2005 Plan  Net Total - 2005 Plan:	\$ -   \$ -	\$ -  \$ -	\$	\$ -	\$ -   \$ -	\$ -  \$ -	\$ -  \$ -	\$ -  \$ -
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ \$	\$ - \$ -	\$ -	\$ - \$ -
Net Total - 2006 Plan:	S	-	S -	\$ -	s -	s -	s -	· · · · · · · · · · · · · · · · · · ·
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ 9,594,347 \$ 9,636,272	\$ - \$ 307,655 \$ -	\$ (0) \$ 642,030 \$ 7,995,508	\$ (0) \$ 9,928,723 \$ 7,995,508	\$ - \$ 352,017 \$ -	-	\$ - \$ 17,393 \$ - \$ 9,504	\$ - \$ 1,253 \$ 939
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 14,230,619 \$ -	\$ 344,436 \$ -	\$ 8,754,357 \$ -	\$ 22,640,540 \$ -	\$ 1,204,169 \$ -		\$ 26,897 \$ -	\$ 2,754 \$ -
Net Total - 2009 Plan:	\$ 14,230,619	\$ 344,436	\$ 8,754,357	\$ 22,640,540	\$ 1,204,169		\$ 26,897	\$ 2,754
Subtotal - Pre-2011 Plans:	\$ 14,230,619	\$ 344,436	\$ 8,754,357	\$ 22,640,540	\$ 1,204,169		\$ 26,897	\$ 2,754

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2013

(1)	(2)		(3)	(4)	T	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 3/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
					I	(2)-(3)+(4)		.*		
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 1,98 \$	3,783	\$ 47,212 \$ -	\$ 111,380,589 \$ 5,244,511		113,317,160 5,244,511			\$ 4,199 \$ -	\$ 8,346 \$ 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 1,98 \$	3,783	\$ 47,212 \$ -	\$ 116,625,100 \$ -	\$	118,561,671	\$ 349,503 \$ -		\$ 4,199 \$ -	\$ 8,908 \$ -
Net Total - 2011 Plan:	\$ 1,98	3,783	\$ 47,212	\$ 116,625,100	\$	118,561,671	\$ 349,503	\$ -	\$ 4,199	\$ 8,908
Net Total - All Plans:	\$ 16,21	4,402	\$ 391,648	\$ 125,379,457	\$	141,202,211	\$ 1,553,671	\$ -	\$ 31,096	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: March 31, 2013

Vintage Year	Nu	mber of Allowand	ces	Tota	al Dollar V	alue Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	·SO ₂		NOx	NOx	
	_	Annual	Ozone Season			Annual	Ozone Season	
Current Year	135,999	. 10,099	7,115	\$ 778.39	\$	6,337.11	\$ 173.68	
2014	62,379	14,133	6,212					
· 2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							·
2020	62,379							
2021	62,379			·				
2022	62,379							-
2023	62,379			·				
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033 - 2042	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2013

		ginning ventory	Allocations/ Purchases		Utilized Coal Fuel)		Utilized ther Fuels)	I	Sold		Ending Inventory	Allocation, Purch Sale Date & Vinta		
TOTAL EMISS	ION ALL	OWANCE	S IN INVENTORY	Y. ALL	CLASSIFIC	ATIONS								
Quantity		141,829	0		5,830		(	) T	C		135,999	 		
Dollars	<b>S</b>	811.76	\$ -	\$	33.37	\$	-	\$	_	\$	778.39	 		
\$/Allowance	\$	0.01		\$	0.01		_	\$	_	\$	0.01			
ALLOCATED A	LLOWA	NCES FRO	OM EPA: COAL I	FUEL										
Quantity		137,080	-	1	5,719				-		131,361	<del></del>		
Dollars	\$	784.58	\$ -	\$	32.73	\$	**	\$	_	\$	751.85			
,	1			1:						1		 		
ALLOCATED A	LLOWA	NCES FRO 4,749	OM EPA: OTHER	FUELS	S 111	<b>.</b>		т		<del></del>	4,638	 		
			-	+-				+		+		 <del></del>		
Dollars	\$	27.18	\$ -	\$	0.64	\$	-	\$		\$	26.54	 	······································	•
ALLOWANCES From Market:	FROM	PURCHAS	ES:					<u> </u>		<del></del>				
Quantity	_			-	-			+		+		 		
Dollars	\$		\$ -	\$	-	\$		\$		\$				
\$/Allowance	- S		\$ -	\$		\$		\$		\$				
4.1 L10 Halloo	1 4			. μ Ψ	-			1.4		Ψ		 •		
rom KU				1		1		Т		T				
Quantity		_	-	<b>†</b>			_	+			_	 		
Dollars	<u>s</u>	-	\$ -	\$	_	\$	_	\$	_	\$	_			
\$/Allowance	\$	-	\$ -	\$	<del>-</del>	\$	-	\$	_	\$	-	• •		
······································			<u> </u>			I						W		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of March 2013

	Beginning	Allocations/	Utilized	Utilized	1	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
			/				<u> </u>
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	903	6,212	0	0	0	7,115	
Dollars	\$ 173.68	\$ 0.00	-\$	\$ -	\$ -	\$ 173.68	
\$/Allowance	\$ 0.19	\$ -	\$ -	-	\$ -	\$ 0.02	
		OM EPA: COAL F					
Quantity	837				-		Includes 2013 vintage allowances of 5,884; transfer of (58)
Dollars	\$ 160.99	\$ 3.10		\$ -	\$ -	\$ 164.09	allowances to CTs; and true-up adjustment of 59 allowances
	<u> </u>						
		OM EPA: OTHER					
Quantity	66				-		Includes 2013 vintage allowances of 328; transfer of 58
Dollars	\$ 12.69	\$ (3.10)	) \$ -	\$ -	\$ -	\$ 9.59	allowances to CTs; and true-up adjustment of (59) allowances
	1	III.				<u></u>	
•							
	FROM PURCHAS	SES:					
From Market:			,		<u> </u>		
Quantity	0					0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	-			-	\$ -	\$ -	
	_						
From KU:							
Quantity	0				<del> </del>	0	
Dollars	-	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$	-	-	.\$ -	\$ -	
							•
							•

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2013

. •	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Füels)	Sold	Inventory	Sale Date & Vintage Years
		<del>'</del>	•. •				
TOTAL EMISSIC	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	11,515	0	1,406	10	0	10,099	Ţ.
Dollars	\$ 7,225.64	\$ -	\$ 882.26	\$ 6.27	\$ -	\$ 6,337.11	
\$/Allowance	\$ 0.63	\$ -	\$ 0.63	\$ 0.63	\$ -	\$ 0.63	
					-		
ALLOCATED AI	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	10,657	(103)	1,340	-	-	9,214	Transfer of allowances from coal to CTs
Dollars	\$ 6,687.24	\$ (64.63)	\$ 840.85	-	\$ -	\$ 5,781.76	
	1			1			
		I					
ALLOCATED AI	LLOWANCES FRO	OM EPA: OTHER	FUELS -				
ALLOCATED AI	LLOWANCES FRO	OM EPA: OTHER	FUELS 66	10			Transfer of allowances from coal to CTs
		103	66		- \$	\$885 \$ 555.35	Transfer of allowances from coal to CTs
Quantity	858	103	66		- \$ -		Transfer of allowances from coal to CTs
Quantity Dollars	\$ 538.40	103 \$ 64.63	66				Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES	858	103 \$ 64.63	66		- \$ -		Transfer of allowances from coal to CTs
Quantity Dollars	\$ 538.40	103 \$ 64.63	66		- \$ -		Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 538.40	103 \$ 64.63	66 \$ 41.41	\$ 6.27	\$ -	\$ 555.35	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	858 \$ 538.40 FROM PURCHAS 0 \$ -	103 \$ 64.63 ES: 0	66 \$ 41.41 0 \$ -	\$ 6.27	0 \$ -	\$ 555.35	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity	858 \$ 538.40 FROM PURCHAS	103 \$ 64.63 ES:	66 \$ 41.41	\$ 6.27	0	\$ 555.35	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	858 \$ 538.40 FROM PURCHAS 0 \$ -	103 \$ 64.63 ES: 0	66 \$ 41.41 0 \$ -	\$ 6.27 0 \$ -	0 \$ -	0	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	858 \$ 538.40 FROM PURCHAS 0 \$ -	103 \$ 64.63 ES: 0	66 \$ 41.41 0 \$ -	\$ 6.27 0 \$ -	0 \$ -	0	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	858 \$ 538.40 FROM PURCHAS 0 \$ -	103 \$ 64.63 ES: 0	66 \$ 41.41 0 \$ -	\$ 6.27 0 \$ -	0 \$ -	0 \$ -	Transfer of allowances from coal to CTs
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	858 \$ 538.40 FROM PURCHAS 0 \$ - \$ -	ES:  0 \$ - \$ -	66 \$ 41.41 0 \$ - \$ -	\$ 6.27 0 \$ -	0 \$ -	0 \$ -	Transfer of allowances from coal to CTs

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2013

Environme	ntal Compliance Plan			
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount		
11th Previous Month	-	\$ 104,944		
10th Previous Month	_	146,684		
9th Previous Month	5,535	81,870		
8th Previous Month	19,165	64,001		
7th Previous Month	12,834	92,897		
6th Previous Month	1,192,171	67,315		
5th Previous Month	11,218	70,837		
4th Previous Month	7,075	68,003		
3rd Previous Month	-	86,463		
2nd Previous Month	-	60,292		
Previous Month	-	74,899		
Current Month	-	68,131		
Total 12 Month O&M	\$ 1,247,998	\$ 986,335		

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,247,99	98 \$	986,335				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8				
Pollution Control Cash Working Capital Allowance	\$	156,00	00 \$	123,292				

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2013

O&M Expense Account	Cane Run	Mill Creek	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	- 1	-	-	
512153 - ECR Mercury Monitors Maintenance	-	-	-	_
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance				-
506154 - ECR NOx Operation Consumables			-	-
506155 - ECR NOx Operation Labor and Other			-	_
512151 - ECR NOx Maintenance			-	<del>-</del>
506051 - ECR Precipitator Operation				-
506151 - ECR Activated Carbon				. <u>-</u>
512051 - ECR Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses			-	
2009 Plan		*		
502013 - ECR Landfill Operations			_	
512107 - ECR Landfill Maintenance	_		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	
Net 2009 Plan O&M Expenses	-			-
Subtotal - Pre-2011 Plans	-			
2011 Plan				
502056 - ECR Scrubber Operations		_		-
512055 - ECR Scrubber Maintenance		-		-
. 506159 - ECR Sorbent Injection Operation		-	11,943.78	11,943.78
506152 - ECR Sorbent Reactant - Reagent Only			55,270.26	55,270.26
512152 - ECR Sorbent Injection Maintenance		•	917.09	917.09
506156 - ECR Baghouse Operations			-	-
512156 - ECR Baghouse Maintenance		-		_
506151 - ECR Activated Carbon		-	-	
Adjustment for Base Rates Baseline Amounts		-		-
Total 2011 Plan O&M Expenses		-	68,131.13	68,131.13

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	- \$	- \$
(2) Monthly Amount [(1) / 12]	\$ -	- \$
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
	ф.	Φ.
(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	·	·
A J., to a 4 (4, EG Page 250)	T &	Ι Φ
Adjustment for Base Rate Amount (to ES Form 2.50)		-   \$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2013

Third Party	O&M Expense Account	Plant	Total O&M					
	,							
			,					
Total Monthly Be	neficial Reuse Expense		\$ -					
		,						
Adjustment for Be	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)							
Net Beneficial Re	use O&M Expense		\$ -					

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$ -	\$ -		\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -	\$ -	\$ -
(2) 1410ntally (1110tall [(1) / 12]	<u> </u>			
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$ -		\$ -	\$ -
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense $[(2) + (3)]$	\$ -	-	\$ -	\$ -
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	-	- \$	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -	\$ -	\$ -
		Φ.	Φ.	Φ.
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -	\$ -	-
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ -	-	-	\$ -
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates				
Adjustment for Base Rate Amount (to ES Form 2.60)	-	-	\$ -	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Conroy

### LOUISVILLE GAS AND ELECTRIC 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)	1	(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	\$ 16,915,354	\$ 5,576,596	\$ 1,219,782	\$ 716,279	\$ 136,901	\$ 24,564,913	\$	24,428,012			
May-12	19,400,636	6,676,696	1,648,718	859,218	174,319	\$ 28,759,586	\$	28,585,267			
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202			
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342			
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625			
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486			
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867			
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629			
. Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945			
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543			
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260			
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582			
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =										
			Surcharge for 12-months as ending with the Currer		onin =		\$	79,638,030 42.07%			

	•		Levenues		٠			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM
			-			(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)
Apr-12				\$ 478,677			\$ 43,732,527	\$ 27,384,117
May-12	26,783,712	12,308,862	2,919,045	516,753	253,839	\$ 42,782,211	\$ 42,528,372	
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	
Jul-12	34,823,511	17,039,422	3,822,030	663,209	306,547	\$ 56,654,720		\$ 35,486,720
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802	\$ 54,331,291	4	\$ 34,444,027
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	\$ 46,759,081	4	\$ 30,366,014
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418	\$ 43,401,577	\$ 43,107,159	\$ 27,186,386
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059	\$ 25,592,450
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246	\$ 41,857,954	\$ 26,462,076
for 12 Months Endi	ng Current Expense Mon					-	\$ 46,130,967	\$ 29,020,161
		xcluding Environmental			nth =		\$ 79,638,030	
GROUP 2 Revenue	s as a Percentage of Tota	l Revenues for 12-month	is ending with the Currer	nt Month			57.93%	

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: March 31, 2013

		Revenues per	R	evenues per
		Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 66,819,718	\$	66,819,718
(2)	Fuel Adjustment Clause	\$ 5,192,940	\$	5,192,940
(3)	DSM	\$ 1,288,878	\$	1,288,878
(4)	Environmental Surcharge		\$	422,186
(5)	CSR Credits		\$	(288,771)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 73,301,536		
Non -Ju	risdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 5,566,706	\$	5,566,706
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 5,566,706		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 78,868,242		· .
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =	92.94%		
Reconc	iling Revenues			
(10)	Brokered	\$ _	\$	
(11)	InterSystem (Transmission Portion Booked in Account 447)		. \$	· <b>-</b>
(12)	Unbilled		\$	5,003,553
(13)	Miscellaneous		\$	1,259,491
(14)	Total Company Revenues per Income Statement =		\$	85,264,700



PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

May 17, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of April 2013

#### GROUP 1 (Total Revenue)

•		
Group 1 E(m) ES Form 1.10, line 16	=	\$ 521,638
Group 1 ES Billing Factor ES Form 1.10, line 18	. =	1.54%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	· =	\$ 714,470
Group 2 ES Billing Factor ES Form 1.10, line 18	=	2.45%

Effective Date for Billing: June billing cycle beginning May 29, 2013

Title: Director, Rates

Date Submitted: May 17, 2013

Submitted by

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

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

Environmental Compliance Rate Base RB ROR

= Environmental Compliance Rate Base = Rate of Return on the Environmental Compliance Rate Base

Debt Rate (both short-term and long-term debt) TR Composite Federal & State Income Tax Rate

Pollution Control Operating Expenses

BAS Total Proceeds from By-Product and Allowance Sales

Beneficial Reuse Operating Expenses

			Pre-2011 Environmental Compliance Plans			2011 Environmental . Compliance Plans
(1) RB		=	\$	21,773,798	\$	139,609,692
(2) RB / 12		=	\$	1,814,483	\$	11,634,141
	- DR) (TR / (1 - TR)))	=		10.61%		10.61%
(4) OE		=	\$	30,311	\$	93,245
(5) BAS		=	\$	-		Not Applicable
(6) BR		=	\$	13,171		Not Applicable
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	235,998	\$	1,327,627
(8) Total E(m) = s	sum of Pre-2011 E(m) + 2011 E(m)		\$	1,563,625		

Calculation of Adjusted Net Jurisdictional E(m)

l			•		
(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	.=		92.71%	
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=	\$	1,449,637	
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	=	\$	(146,937)	
(12)	Prior Period Adjustment (if necessary)	=			
(13)	Revenue Collected through Base Rates	=		66,592	
(14)	Adjusted Net Jurisdictional E(m) $[(10) + (11) + (12) - (13)]$	=		1,236,108	

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	P 1 (Total Revenue) GROU	P 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3,00	= .	42,20%	57.80%
(16)	Group E(m) [(14) x (15)]	= \$	521,638 \$	714,470
(17)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	33,850,396 \$	29,161,214
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	= '	1.54%	2.45%

## LOUISVILLE GAS AND ELECTRIC 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 F	Inviromen	tal Co	mpliance Plans	2011 7	nviroment	al Co	mpliance Plan
Eligible Pollution Control Plant		30,619	itai Co	inpriance rians		5,188,794	1 00	inpirance i ian
							-	
Eligible Pollution CWIP Excluding AFUDC	8,9	72,024	1	No. of the second	134	1,709,054		
Subtotal	EFFE I		\$	·23,202,643			\$	139,897,848
Additions:	AND STATE							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		5,286						
Cash Working Capital Allowance	1	57,646				119,920		
Subtotal				162,932				119,920
Deductions:	A Carry Ser							
Accumulated Depreciation on Eligible Pollution Control Plant	3	71,333				53,582		
Pollution Control Deferred Income Taxes	1,2	20,444				354,494		
Subtotal				1,591,777				408,076
Environmental Compliance Rate Base			\$	21,773,798			\$	139,609,692

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 77,967
Monthly Depreciation & Amortization Expense	26,897	6,370
less investment tax credit amortization	· -	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	660	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 30,311	\$ 93,245

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
	Comp	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	13,983
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(812)
Net Beneficial Reuse Operations Expense	\$	13,171

Proceeds From By-Product and Allowance Sales

	Tot	al .	Amount in	T	Net
	Proce	eds	Base Rates		Proceeds
	(1	)	(2)		(1) - (2)
Allowance Sales	\$	- \$	•	\$	-
Scrubber By-Products Sales		-			-
Total Proceeds from Sales	\$	- \$	-	\$	-

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2013

(1)	(2)	T	(3)		(4)		(5)		(6)		(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible ccumulated epreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2013		Monthly C Amortization Credit	E	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
		<del> </del>					(2)-(3)+(4)		113012013						
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station	\$ - \$ -	\$ \$	· -	\$	- -	\$ \$		\$	-	\$ \$	· - -	s s	- -	\$ \$	, - 
Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ - \$ - \$ -	\$ \$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	- - -	\$ \$ \$		\$ \$ \$	- - - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ - \$ -	\$		\$ \$	-	\$		s s	-	\$	-	\$ .	-	\$	-
Net Total - 2005 Plan:	\$ -	S	-	\$	-	\$	-	\$	-	\$	-	\$	_	\$	_
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ - \$ - \$ -	\$ \$ \$ \$	-	\$ \$ \$ \$		\$ \$ \$	-	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$	- - -	\$ \$ \$	- - - -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$ -	\$ . \$	-	\$	-	\$	· <u>-</u>	\$		s s	-	\$	-	\$	-
Net Total - 2006 Plan:	s	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ - \$ 9,594,347 \$ - \$ 4,636,272	\$ \$.	´-	\$ \$ \$ \$	(0) 698,283 8,192,408 81,333	\$	(0) 9,967,583 8,192,408 4,671,319	\$	366,021 - 854,423		•	\$ \$ \$	- 17,393 - 9,504	\$ \$ \$	- 1,253 939 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 14,230,619	\$	371,333	\$	8,972,024 -	\$	22,831,311	\$	1,220,444			\$	→ 26,897 -	\$	2,754
Net Total - 2009 Plan:	\$ 14,230,619	9 \$	371,333	\$	8,972,024	\$	22,831,311	\$	1,220,444	Ė		\$	26,897	\$	2,754
Subtotal - Pre-2011 Plans:	\$ 14,230,619		371,333		8,972,024		22,831,311	I	1,220,444			\$	26,897		2,754

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2013

(1)	(2)		(3)	·· (4)	I	(5) .	(6)	(7)		(8)		(9)
Description	Eligible Plant In Service		Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 4/30/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense		Monthly Property Tax Expense	
		I				(2)-(3)+(4)						
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,188,79 \$ -	94 \$	53,582	\$ 129,268,244 \$ 5,440,810		134,403,456 5,440,810			\$ \$	6,370 -	s s	8,346 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,188,7 \$ -	94 S S	53,582	\$ 134,709,054 \$	\$	139,844,265	\$ 354,494 \$ -		\$	6,370	, S S	8,908
Net Total - 2011 Plan:	\$ 5,188,7	94 \$	53,582	\$ 134,709,054	1\$	139,844,265	\$ 354,494	\$ -	\$	• 6,370	\$	8,908
					I							
Net Total - All Plans:	\$ 19,419,4	12 \$	424,914	\$ 143,681,078	\$	162,675,576	\$ 1,574,938	-	\$	33,267	\$	11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: April 30, 2013

Vintage Year	Nu	mber of Allowand	ces	Tot	al Dollar Va	lue Of Vintage		Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$		NOx	NOx	
		Annual	Ozone Season		F	Annual	Ozone Season	
Current Year	130,127	8,974	7,115	\$ 744.78	\$	5,631.18	\$ 173.68	
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379			· ·				
2018	62,379							
2019	62,379			/				·
. 2020	62,379							
2021	62,379							
2022	62,379							
. 2023 .	62,379							
2024	62,379				ļ			
2025	62,379					*.		
2026	62,379							
2027	62,379							
2028	62,379				,			
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033 - 2042	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of April 2013

	Beginning	Allocations/	Utilized	Utilized ·		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	135,999	0	5,872	. 0	0		
Dollars	\$ 778.39	\$ -	\$ 33.61	\$ -	\$ -	\$ 744.78	*
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$	\$ 0.01	
ALLOCATED AL	LOWANCES FRO	M EPA: COAL E	(IFI				
Quantity	131,361		5,795	T		125,566	
Dollars	\$ 751.85	\$ -	\$ . 33.17	\$ -	\$ -	\$ 7.18.68	
Donas	.51,05		33.17				
			L			,	
ATT OCATED AT	I A ONN A NICEO ED C	NA EDA OTTED	EXTENT C				
	LLOWANCES FRO	T	FUELS 77	T		1 4 561	
Quantity Dollars	4,638	-	\$ 0.44			\$ 4,561 \$ 26.10	
Dollars	\$ 26.54	\$ -	3 0.44	-	-	3 20.10	
		1	1				
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-		-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	·
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
From KU							
Quantity	-	-	-	r -	-	_	
Dollars	\$ -	\$ -	\$ -	-	\$ -	-	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	-	-	
			•				,

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of April 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	. ALL CLASSIFIC	ATIONS			
Ouantity	7,115	0	0	0	0	7,115	
Dollars	\$ 173.68	\$ -	\$ -	\$ -	\$ -	\$ 173.68	
\$/Allowance	\$ 0.02		\$ -	\$ -	\$ -	\$ 0.02	
	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	6,722		-	-	-	6,722	
Dollars	\$ 164.09		\$ -	\$ -	\$ -	\$ 164.09	•
ALLOCATED AI	LLOWANCES FRO	OM EPA: OTHER	FUELS	·   · · -	_	. 393	
Oollars	\$ 9.59		\$ -	\$ -		\$ 9.59	
Joliais	φ 9.39		3 -	-	3 -	\$ 9.39	
ALLOWANCES From Market;	FROM PURCHAS	ES:		I			· · · · · · · · · · · · · · · · · · ·
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
rom KU:		1.		T			
Quantity	0	0	0	. 0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	•						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2013

		inning entory	Allocations/ Purchases		Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	N ALLO	WANCES	IN INVENTO	RY.	ALL CLASSIFIC	ATIONS					
Quantity		10,099		0 1	1,115		10	0	Т	8,974	
Dollars	\$	6,337.11	S -		\$ 699.66		.27	\$ -	-	5,631.18	
\$/Allowance	\$	0.63		$\rightarrow$	\$ 0.63			\$ -	_	0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity	LUWAI	9,214	M EFA: COAL	LFU	1,051				_	8,163	•
Dollars	\$	5,781.76	-	-+	\$ 659.50		-	•	+.	\$ 5,122.26	
Dollars	2	3,781.70	\$ -	-	\$ 639.30	2	-	\$ -	+	5,122.20	
1	<u> </u>										
ALLOCATED AI	LOWAI		M EPA: OTH	ER I	FUELS						•
Quantity		885	-	.	64		10	-		811	
Dollars	\$	555.35	\$ -	.	\$ 40.16	\$ 6	5.27	\$ -		\$ 508.92	
						·			L	•	
ALLOWANCES	FROM P	URCHASI	ES:								
From Market:						T			T		
Quantity		0		0	0		0	0	1	0	
Dollars	\$	-	\$ -	- 1	\$ -	\$	-	\$ -	$\top$	\$ -	
\$/Allowance	\$		\$ -	-	\$ -	\$	_	\$ -	T	\$ -	
									-		
From KU:											
Quantity		0		0	0		0	0			
Dollars	\$	-	\$ -	-	\$ `-	\$	-	\$ -		\$	
\$/Allowance	\$	-	\$ -	-	\$ -	\$		\$ -		\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2013

Environme	ental Compliance Plan			
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount		
11th Previous Month	-	\$ 146,684		
10th Previous Month	5,535	81,870		
9th Previous Month	19,165	64,001		
8th Previous Month	12,834	92,897		
7th Previous Month	1,192,171	67,315		
6th Previous Month	11,218	70,837		
5th Previous Month	7,075	68,003		
4th Previous Month	-	86,463		
3rd Previous Month	-	60,292		
2nd Previous Month	<b>-</b>	74,899		
Previous Month .		68,131		
Current Month	13,171	77,967		
Total 12 Month O&M	\$ 1,261,169	\$ 959,358		

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$	1,261,1	59 \$		959,358				
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8					
Pollution Control Cash Working Capital Allowance	\$	157,64	16 . \$		119,920				

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
004 71				
005 Plan 502056-ECR Scrubber Operations		:		
512055-ECR Scrubber Maintenance				
Total 2005 Plan O&M Expenses			-	
006 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 502056 - ECR Scrubber Operations	-			-
512055 - ECR Scrubber Maintenance			-	
506154 - ECR NOx Operation Consumables				
506155 - ECR NOx Operation Labor and Other				
512151 - ECR NOx Maintenance			—— <del></del>	
506051 - ECR Precipitator Operation				<u>-</u>
506151 - ECR Activated Carbon			_	
512051 - ECR Precipitator Maintenance				
Total 2006 Plan O&M Expenses	-	• • •	-	
	1			
009 Plan				
502013 - ECR Landfill Operations			-	-
512107 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	
Net 2009 Plan O&M Expenses	-		- 1	_
C. L. J. D. 2011 N.				
Subtotal - Pre-2011 Plans	- 1	-	-	
011 Plan				
502056 - ECR Scrubber Operations				-
.512055 - ECR Scrubber Maintenance				-
506159 - ECR Sorbent Injection Operation		-	9,788.71	9,788.7
506152 - ECR Sorbent Reactant - Reagent Only		_	66,911.05	66,911.0
512152 - ECR Sorbent Injection Maintenance		-	1,266.76	1,266.7
506156 - ECR Baghouse Operations		-	-	· ·-
512156 - ECR Baghouse Maintenance		-	-	-
506151 - ECR Activated Carbon		-	-	-
Adjustment for Base Rates Baseline Amounts		-		-
Total 2011 Plan O&M Expenses		-	77,966.52	77,966.5
A A A A A A A A A A A A A A A A A A A	16	·	. 22.077.65 1.6	24 5//
Current Month O&M Expense for All Plans	-	<b>&gt;</b> -	\$ 77,966.52 \\$	• 77,966.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2013

On-Site CCP Disposal O&M Expense		Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1) 12 Months Ending with Expense Month	\$	. =	\$
(2) Monthly Amount [(1) / 12]	\$		\$ -
2009 Plan Project			
(3) Monthly Expense	\$	-	\$ -
Total Generating Station			
(4) Monthly Expense [(2) + (3)]	\$	-	\$ - '
Base Rates			•
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	\$ -
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ .	-	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2013

Third Party	O&M Expense Account	Plant	Т	otal O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	11,108.83
Synthetic Material	502011 - ECR Other Waste Disposal	Trimble County	\$	2,873.87
ALL CONTRACTOR OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF		· · · · · · · · · · · · · · · · · · ·	<u> </u>	
Total Monthly Be	neficial Reuse Expense		\$	13,982.70
	3			
Adjustment for Be	eneficial Reuse in Base Rates (from ES Form 2.	61)	\$	(812.01)
	use O&M Expense		\$	13,170.69

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2013

On-Site CCP Disposal O&M Expense	Can	Cane Run Mill Creek			Trimble County		Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)		•						
(1) 12 Months Ending with Expense Month	\$	-	\$	• -	\$	(9,744.06)	\$	(9,744.06)
(2) Monthly Amount [(1) / 12]	\$	_	\$	-	\$	(812.01)	\$	(812.01)
2009 Plan Project 25				•				
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	· -	\$	13,982.70	\$	13,982.70
Total Beneficial Reuse - Generating Station								
(4)   Monthly Expense [(2) + (3)]	\$	-	\$	-	\$	13,170.69	\$	13,170.69
					-			
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)]	\$	-	\$	-	\$	13,170.69	\$	13,170.69
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$ .	-	\$	· · · · · · -	\$	(812.01)	\$	(812.01)
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)	\$	·-	\$	-	\$	(812.01)	\$	(812.01)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 19,400,636	\$ 6,676,696	\$ 1,648,718	\$ 859,218	\$ 174,319	\$ 28,759,586	\$	28,585,267				
Jun-12	24,454,377	8,906,806	2,078,757	1,148,262	135,410	\$ 36,723,612	\$	36,588,202				
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342				
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625				
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486				
Oct-12	17,264,585	5,749,735	-1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867				
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629				
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945				
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543				
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260				
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894		\$	31,443,582				
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999				
	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
Average Kentucky.	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Me	onth =		\$	80,220,821				
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				42.20%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(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	\$ 26,783,712	\$ 12,308,862	\$ 2,919,045	\$ 516,753	\$ 253,839	\$ 42,782,211	\$ . 42,528,372	27,300,465				
Jun-12	32,117,929	15,784,878	3,634,227	611,848	201,644	\$ 52,350,526	\$ 52,148,882	2 \$ 32,729,777				
Jul-12	34,823,511	17,039,422	3,822,030	. 663,209	306,547	\$ 56,654,720	\$ 56,348,173	\$ 35,486,720				
. Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802	\$ 54,331,291	\$ 54,110,489	\$ 34,444,027				
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	\$ 46,759,081	\$ 46,587,492	30,366,014				
Oct-12	. 26,687,011	13,278,156	2,642,617	499,375	294,418	\$ 43,401,577	\$ 43,107,159	\$ 27,186,386				
. Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	3 \$ 26,589,447				
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	5 \$ 25,587,026				
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	.\$ 41,131,180	\$ 40,803,059	\$ 25,592,450				
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874						
Mar-13	26,113,559	12,156,147	3,239,731	. 348,517	255,292		\$ 41,857,954	\$ 26,462,076				
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976	\$ 46,606,03	1 \$ 29,076,753				
	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.											
			Surcharge for 12-month	s ending with Current Mo	onth =		\$ 46,370,425 \$ 80,220,82					
		al Revenues for 12-month					57.80%					

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2013

	Revenues per	Revenues per
·	Form 3.00	Income Statement
Kentucky Retail Revenues		·
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 68,328,671	\$ 68,328,671
(2) Fuel Adjustment Clause	\$ 5,494,051	\$ 5,494,051
(3) DSM	\$ 1,331,308	\$ 1,331,308
(4) Environmental Surcharge		\$ 779,766
(5) CSR Credits		\$ (299,882)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 75,154,029	
Non -Jurisdictional Revenues		
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 5,913,816	5,913,816
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	5,913,816	
·		
(9) Total Company Revenues for Environmental Surcharge Purposes =	<b>81,067,845</b>	
Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =	92.71%	
		]··
Reconciling Revenues		
(10) Brokered	\$ -	\$ -
(11) InterSystem (Transmission Portion Booked in Account 447)		\$ -
(12) Unbilled		\$ (7,656,364)
(13) Miscellaneous		\$ 841,230
(14) Total Company Revenues per Income Statement =		\$ 74,732,595



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

RECEIVED

JUN 1 4 2013

June 14, 2013

PUBLIC SERVICE COMMISSION

RE: Monthly Environmental Surcharge Report

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Louisville Gas and Electric Company

State Regulation and Rates

Louisville, Kentucky 40232

220 West Main Street

PO Box 32010

www.lge-ku.com

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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.

Included with this filing is the evaluation demonstrating the cost effectiveness of the new beneficial reuse opportunity at Mill Creek. The project will recover approximately 300,000 tons of gypsum annually to create a unique sulfur product that will be sold to and distributed by agricultural companies. Associated costs are included on ES Forms 2.60 and 2.61.

Also, it has come to my attention that the Revenue Collected Through Base Rates as reported on ES Form 1.10, line 12 was overstated in the January through March 2013 expense month filings. Therefore, a Prior Period Adjustment is included on ES Form 1.10 to correct the March 2013 amount. The January and February 2013 expense month filings will be corrected in the next ECR review case since it is the end of a two-year review period.

Lastly, attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in May 2013.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID # 27-2585037

INVOICE DATE: INVOICE #: 5/1/2013 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 Chuck Buechel Mike Boismenu	4/01/2013-04/30/2013 )4/01/2013-04/30/2013 )4/01/2013-04/30/2013	6 16 18	\$260 \$240 \$240	\$1,560.00 \$3,840.00 \$4,320.00	\$150.00	\$1,560.00 \$3,990.00 \$4,920.98	
SUB TOTALS		40		\$9,720.00	\$750.98	\$10,470.98	位的2000年初2000
TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/M COPYING - Color MISCELLANEOUS Invoice Amount			·.				\$9,720.00 \$750.98 \$0.00 \$0.00 \$0.00
TOTAL MONTHL	Y INVOICE AMOU	NT	٠			,	\$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

# **Evaluation of Mill Creek Pelletized Product Manufacturing Plant**



**PPL** companies

Generation Planning & Analysis
Updated June 2013

### **Table of Contents**

1	Background	2
2	Charah Proposal	2
3	Analysis	2
•	, way so	
4	Conclusion	4

#### 1 Background

Historically, Mill Creek station has produced around 700,000 tons of gypsum annually.¹ Future production is expected to slightly increase, to 750,000 tons, due to the installation of new, higher efficiency FGDs. In 2013, the station expects to deliver approximately 300,000 tons of gypsum to beneficial reuse markets in the concrete and cement industries. Any gypsum not delivered to beneficial reuse markets is stored in an on-site landfill.

#### 2 Charah Proposal

Charah, a certified contactor providing landfill construction services and on-going operations and maintenance of the landfill at Mill Creek, proposed to invest its own capital resources to enhance the marketability of gypsum produced at Mill Creek. Charah will design, construct, and operate a processing plant at Mill Creek utilizing Mill Creek gypsum for the manufacture of Sul4R, a pelletized synthetic gypsum product, for sale and distribution in the agricultural market. The proposed contract has a term of 13 years with the potential for unlimited additional, consecutive five year "Renewal Terms." In return, LG&E will provide Charah with a license agreement to use Mill Creek property for the construction of the production plant.

Mill Creek will provide up to 250,000 tons of gypsum annually for processing and eventual sale and use in the agricultural market. In addition, the Companies will pay to install utility services (gas, electric, potable water, and sewer) within 50 feet of the new pelletizing plant at a cost of approximately \$50,000. During the first five years of the contract, LG&E will pay Charah \$2.00/ton of gypsum delivered to the pelletizing plant (capped at \$200,000 per year). After the fifth year, Charah will pay LG&E \$6.00/ton of gypsum delivered to the pelletizing plant (capped at \$600,000 per year).

#### 3 Analysis

The pelletizing plant is expected to process 50,000 tons of gypsum in 2013, increasing to 125,000 tons by 2016.³ LG&E will avoid the handling cost of sending gypsum to its on-site landfill (the variable cost of on-site landfill disposal is approximately \$1.00/ton in 2013 and is assumed to escalate at 3.3 percent annually to \$1.34/ton in 2022). While the conservation of landfill space could also be beneficial, this analysis focuses on the value of the reduction in variable costs for material handling for landfill disposal and the costs/revenues associated with the Charah proposal.

The utility services installed to serve the processing plant have an assumed capital cost of \$50,000. The analysis assumes this investment is depreciated over the 13-year life of the contract for book purposes and will have a tax life of 5 years.

For the first five years⁴, the total project cost is higher than the "do nothing" case due to the payments to Charah specified in the agreement. Starting in year six, when Charah begins paying for the gypsum, this project will result in over \$700,000 of savings annually assuming that Charah utilizes only 125,000 tons per year (half of the contract maximum volume). Over the contract term, this proposal would

¹ The Mill Creek station produces approximately 1.2 million tons of coal combustion residuals (CCRs) annually, comprised of approximately 10% bottom ash, 30% fly ash, and 60% gypsum.

² The cost to install utility services was updated from \$300,000 in the previous analysis to \$50,000.

³ The volumes in 2013 through 2015 are based on Charah's expectation to start and ramp-up the gypsum processing plant. Starting in 2016, the volume is based on 50% of the 250,000 ton annual cap.

⁴ The analysis is based on full calendar years beginning in 2013.

Conroy

reduce the net present revenue requirements (NPVRR) by approximately \$3 million (see Table 1) as compared to the "do nothing" case.

Table 1 – Valuation of Charah Proposal (000s)

Table 1 Valuation of Grant Troposal (Good)													
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gypsum (000 Tons) ³	50	75	100	125	125	125	125	125	125	125	125	125	125
Capital Revenue													
Requirement-Utility (\$000)	9	8	8	7	6	6	5	5	5.	5	4	4	4
•													
Op. Cost Impacts (\$000)													
Payment to/(Revenue		•		·									
from) Charah	100	150	200	200	200	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)
Avoided Handling and													
Transport Cost	(50)	(77)	(104)	(143)	(146)	(150)	(155)	(159)	(163)	(168)	(171)	(176)	(178)
<b>Total Operating Cost</b>	50	74	96	58	54	(750)	(755)	(759)	(763)	(768)	(771)	(776)	(778)
Total Cost (\$000)	59	82	104	64	60	(744)	(750)	(754)	(758)	(763)	(767)	(772)	(774)
,													
NPVRR (\$000)	(3,149)			,		,							

Based on the "mid-volume" case (125,000 tons per year) shown in Table 1, the value of the contract to customers will depend on Charah taking gypsum in years 6 through 13 of the contract. However, should Charah take the contract maximum of 250,000 annually, then the contract will reduce revenue requirements beginning in Year 1 (see Table 2). Furthermore, should Charah take the maximum amount every year, the proposal will lower revenue requirements by \$4.5 million (NPVRR) (See Table 2). Conversely, the proposal will increase revenue requirements by \$0.5 million (NPVRR) if Charah takes 100,000 tons for the first 5 years, then takes zero gypsum volume in years 6 through 13 (See Table 3). Overall, for the contract to break even on an NPVRR basis, Charah needs to take only 10,000 tons annually in years 6 through 13, assuming the "mid-volume" take in 2013-2017 shown in Table 1.

Table 2 – High Case of Charah Proposal (000s)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gypsum (000 Tons)	250	250	250	250	250	250	250	250	250	250	250	250	250
Capital Revenue													
Requirement-Utility (\$000)	9	8	8	7	6	6	5	5	5	5	4	4	4
Op. Cost Impacts (\$000)							-						
Payment to/(Revenue													•
from) Charah	200	200	200	200	200	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)
Avoided Handling and					,			·					
Transport Cost	(250)	(255)	(260)	(285)	(293)	(300)	(310)	(318)	(325)	(335)	(343)	(353)	(356)
Total Operating Cost	(50)	(55)	(60)	(85)	(93)	(900)	(910)	(918)	(925)	(935)	(943)	(953)	(956)
Total Cost (\$000)	(41)	(47)	(52)	(78)	(86)	(894)	(905)	(912)	(920)	(930)	(938)	(948)	(952)
					-								
NPVRR (\$000)	(4,483)			•									

Table 3 - Low Case of Charah Proposal (000s)

											-		
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Gypsum (000 Tons)	100	100	100	100	100	0	-0	0	0	0	0	0	0
Capital Revenue Requirement-			•										
Utility (\$000)	9	8	8	7	6	6	5	5	5	5 ·	4	4	4
Op. Cost Impacts (\$000)													
Payment to/(Revenue from)													
Charah	200	200	200	200	200	0	0	0	0	0	0	0	0
Avoided Handling and													
Transport Cost	(100)	(102)	(104)	(114)	(117)	0	0	0	0	0	0	0	0
Total Operating Cost	100	98	96	86	83	0	0 .	0	0	0	0	0	0 .
Total Cost (\$000)	109	106	104	93	89	6	5	5	5	5	4	. 4	4
NPVRR (\$000)	466												

#### 4 Conclusion

This analysis supports a decision to proceed with the proposed pelletizing plant based on the reduction in revenue requirements associated with the agreement and the avoided handling and transportation cost for placing the gypsum in the Mill Creek landfill. Based on a range of gypsum volumes, the project's impact on NPVRR could range from a favorable reduction of \$4.5 million to an unfavorable increase of \$0.5 million. Given the volume assumptions in the "mid-volume" case, the 13-year agreement favorably reduces revenue requirements by \$3 million.

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of May 2013

#### **GROUP 1 (Total Revenue)**

GROOT I (Iotal Revenue)	•				•	
Group 1 E(m) ES Form 1.10, line 16		• •		=	\$	684,212
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		•		=	\$	947,973
Group 2 ES Billing Factor ES Form 1.10, line 18		• * .	. '\	=		3.23%

Effective Date for Billing: July billing cycle beginning June 26, 2013

Submitted by:

Title: Director, Rates

Date Submitted: June 14, 2013

ES FORM 1.10

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of May 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

		•		2011 Environmental Compliance Plans				
(1) RB	. =	\$	21,664,162	\$	160,461,822			
(2) RB / 12	=	\$	1,805,347	\$-	13,371,819			
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		10.61%		10.61%			
(4) OE	=	\$	30,418	\$	77,212			
(5) BAS	=	\$	•		Not Applicable			
(6) BR	=	\$	47,031		Not Applicable			
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$.	268,996	\$	1,495,962			
(8) Total $E(m) = \text{sum of Pre-2011 } E(m) + 2011 E(m)$		\$	1,764,958					

Calculation of Adjusted Net Jurisdictional E(m)

1			
(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	.=	90,64%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	1,599,758
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	=	
(12)	Prior Period Adjustment (if necessary)	=	94,979
(13)	Revenue Collected through Base Rates	=	62,552
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	=	1,632,185

Calculation of Group Environmental Surcharge Billing Factors

		GROU	P 1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.92%	58.08%
(16)	Group E(m) [(14) x (15)]	= \$	684,212	\$ 947,973
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	33,665,817	\$ 29,308,496
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	= ,	2.03%	3,23%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2013

Determination of Environmental Compliance Rate Base

Determination of Environmental Computative Rate Base									
	Pre-2011 Environmental Compliance Plans				20	2011 Enviromental Compliance Plan			
Eligible Pollution Control Plant	\$	14,230,619			\$	5,188,794			
Eligible Pollution CWIP Excluding AFUDC		8,900,448				155,585,330			
Subtotal			\$	23,131,067			\$	160,774,124	
Additions:									
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		4,519							
Cash Working Capital Allowance	1	163,525				108,440			
Subtotal				168,044				108,440	
Deductions:									
Accumulated Depreciation on Eligible Pollution Control Plant		398,229				62,123			
Pollution Control Deferred Income Taxes		1,236,720				358,619			
Subtotal				1,634,949				420,742	
Environmental Compliance Rate Base			\$	21,664,162			\$	160,461,822	

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$	\$ 54,842
Monthly Depreciation & Amortization Expense	26,897	8,541
less investment tax credit amortization		
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	767	
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		4,921
Total Pollution Control Operations Expense	\$ 30,418	\$ 77,212

Determination of Beneficial Reuse Operating Expenses

	Env	rironmental
·	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	49,958
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(2,927)
Net Beneficial Reuse Operations Expense	\$	47,031

Proceeds From By-Product and Allowance Sales

Proceeds From By-Product and Allowance Sales			
	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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		Deferred Tax Balance as of 5/31/2013	Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Ta Expense	
								(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$ \$ \$	· -	\$ \$ \$ \$ \$	- - - -	\$ \$ \$ \$ \$ \$ \$	- - - -	\$. \$ \$ \$	1 1 2	\$ \$ \$ \$ \$	- - - - -	\$ \$ \$ \$ \$	- - - - - -	\$ \$ \$ \$ \$		\$ \$ \$ \$ \$	- - - - -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	-	\$	- -	\$	-	.\$ \$	-	\$	-	\$	-	\$ \$		\$	-
Net Total - 2005 Plan:	1\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal	\$ \$ \$		\$ \$ \$		\$ \$ \$	-	\$ \$ \$		\$ \$ \$	- - - -	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$ \$	- - -
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	s	-	s	 	\$.	· · · · · ·	\$	-	\$	<del>-</del> .	\$	-	s	-
Net Total - 2006 Plan:	\$	-	\$	-	\$	-	\$	-	\$		\$		\$		\$	
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - 4,636,272	\$	342,440 - 55,790	\$ \$ \$	(0) 22,825 8,962,956 (85,333)	\$	(0) 9,274,733 8,962,956 4,495,149	\$	 380,025 - 856,695			\$ \$ \$	17,393 - 9,504	\$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	14,230,619	\$	398,229	\$	8,900,448	\$	22,732,838	s s	1,236,720			\$	26,897	s s	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	398,229	\$	8,900,448	\$	22,732,838	\$	1,236,720	İ		\$	26,897	\$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	\$	398,229	\$	8,900,448	\$	22,732,838	\$	1,236,720	L		\$	26,897	\$	2,754

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2013

(1)	(0)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(1)	(2)	. (3)	(4)	(3)	(0)	(/)	(0)	(9)
Description	Eligible • Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 5/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,188,794 \$ -	\$ -	\$ 149,393,093 \$ 6,192,237	\$ 6,192,237	s -		\$ 8,541 \$	\$ 8,346 \$ 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,188,794 \$ -	\$ 62,123 \$ -	\$ 155,585,330 \$ -	\$ 160,712,001 \$ -	\$ 358,619 \$ -	•	\$ 8,541 \$ -	\$ 8,908
Net Total - 2011-Plan:	\$ 5,188,794	\$ 62,123	\$ 155,585,330	\$ 160,712,001	\$ 358,619	\$ -	\$ 8,541	\$ 8,908
Net Total - All Plans:	\$ 19,419,412	\$ 460,352	\$ 164,485,778	\$ 183,444,838	\$ 1,595,338	\$ -	\$ 35,438	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: May 31, 2013

Vintage Year	Nu	mber of Allowan	ces	· Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
Ü	SO ₂	NOx	NOx	SO ₂	. NOx	NOx	·
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	123,655	7,743	5,884	\$ 707.74	\$ 4,858.73	\$ 143.63	
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379				, '		
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of May 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			•
Quantity	130,127	. 0	6,472	0	0	123,655	·
Dollars	\$ 744.78		\$ 37.04		\$	\$ 707.74	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
		:			1		
	LLOWANCES FRO	OM EPA: COAL F					
Quantity	125,566	-	6,364			119,202	
Dollars	\$ 718.68	\$ -	\$ 36.42	\$ -	\$ -	\$ 682.26	
	<u> </u>		<u></u>	l			
		-	-				•
							•
	LLOWANCES FRO	OM EPA: OTHER					
Quantity	4,561	-	108	-	-	4,453	•
Dollars	\$ 26.10	\$ -	\$ 0.62	\$ -	\$ -	\$ 25.48	
			ļ .	i .			
	. •						
	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-	<u> </u>	-	-	
Dollars	-	\$ -	\$ -	\$ -	\$	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
			-				
From KU							
Quantity	-	-,'	_	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$	\$	\$ -	\$ -	\$ -	
J/Anowance							
3/Anowance		•					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIC	ON ALLOWANCI	ES IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	7,115	. 0	1,226	5	0	5,884	
Dollars ·	\$ 173.68	\$ -	\$ 29.93	\$ 0.12	\$ -	\$ 143.63	
\$/Allowance	\$ 0:02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	· · · · · · · · · · · · · · · · · · ·
ALLOCATED AI	LOWANCES FR	OM EPA: COAL F					
Quantity	6,722		1,177			5,545	
Dollars	\$ 164.09		\$ 28.73	\$ -	\$ -	\$ 135.36	
					•		
	LLOWANCES FE	OM EPA: OTHER	FUELS 49	. 5		339	· ·
Quantity						\$ 8.27	
Dollars	\$ 9.59	<u> </u>	\$ 1.20	5 0.12		\$ 0.21	
ALLOWANCES From Market;	FROM PURCHA	SES:					
Quantity		0	C	0	0	. 0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ ~	\$	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU:							
Quantity		0 0	(	0	. 0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

For the Expense Month of May 2013

	Beginning	Allocations/	Utilized	Utilized .		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	8,974		1,226	5	0	7,743	
Dollars	\$ 5,631.18			\$ 3.14		\$ 4,858.73	
\$/Allowance	\$ 0.63			\$ 0.63		\$ 0.63	
5/Allowance	J 0.03	1 2 -	1 0.05	0.03	ΙΨ	0.05	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	8,163	T -	1,177	-		6,986	
Dollars	\$ 5,122.26	\$ -	\$ 738.56	\$ -	\$ -	\$ 4,383.70	
	LLOWANCES FR	OM EPA: OTHER	FUELS 49	T 5	T -	757	
Quantity						\$ 475.03	
Dollars	\$ 508.92		\$ 30.75	\$ 3.14	\$ -	\$ 4/3.03	
				<u> </u>	<u> </u>		
ALLOWANCES	FROM PURCHAS	SES:		•	•-		·
From Market:							
Quantity	0	. 0	0	0	0	. 0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	\$ -	\$ -	\$ -	\$	\$ -	\$ -	
From KU:							
Quantity	. 0	0	0	0	0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2013

. En	vironmental Complian	ce Plan			
O&M Expenses	Pre-20	11 Plans Amount	2011 Plan Amount		
11th Previous Month	\$	5,535	\$	81,870	
10th Previous Month		19,165		64,001	
9th Previous Month		12,834		92,897	
8th Previous Month		1,192,171		67,315	
7th Previous Month		11,218	·	70,837	
6th Previous Month		7,075		68,003	
5th Previous Month		-		86,463	
4th Previous Month		· _		60,292	
3rd Previous Month		-		74,899	
2nd Previous Month		-		68,131	
Previous Month		13,171		77,967	
Current Month	•	47,031		54,842	
Total 12 Month O&M	\$	1,308,199	\$	867,516	

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$	1,308,199	\$		867,516		
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8			
Pollution Control Cash Working Capital Allowance	\$	163,525	\$		108,440		

Pollution Control - Operations & Maintenance Expenses
For the Month Ended: May 31, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan	•			
502056-ECR Scrubber Operations			-	-
512055-ECR Scrubber Maintenance			· _	-
Total 2005 Plan O&M Expenses			-	-
00/ M				
006 Plan 506159 - ECR Sorbent Injection Operation				
506152 - 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				-
502056 - ECR Scrubber Operations	-	· · · · · · · · · · · · · · · · · · ·	-	-
512055 - ECR Scrubber Maintenance			-	
506154 - ECR NOx Operation Consumables			-	-
506155 - ECR NOx Operation Labor and Other			-	
512151 - ECR NOx Maintenance			-	-
506051 - ECR Precipitator Operation	_		-	
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance			-	-
Total 2006 Plan O&M Expenses	-			-
2009 Plan				
502013 - ECR Landfill Operations				-
512107 - ECR Landfill Maintenance	-		_	_
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			-
Net 2009 Plan O&M Expenses	-		-	-
Subtotal - Pre-2011 Plans	-	-	<u> </u>	-
2011 Plan				
502056 - ECR Scrubber Operations		-		
512055 - ECR Scrubber Maintenance		-		
506159 - ECR Sorbent Injection Operation	•		7,629.44	7,629.
. 506152 - ECR Sorbent Reactant - Reagent Only		-	45,903.76	45,903.
512152 - ECR Sorbent Injection Maintenance		-	1,308.70	1,308.
506156 - ECR Baghouse Operations		-	<u> </u>	
512156 - ECR Baghouse Maintenance		-	i -	
506151 - ECR Activated Carbon		-		
Adjustment for Base Rates Baseline Amounts		-		
Total 2011 Plan O&M Expenses			54,841.90	54,841.
O AND A DRIVE		1.6	1\$ 54,841.90	T\$ 54.841.
Current Month O&M Expense for All Plans		3 -	34,841.90	34,841.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	· \$
(2) Monthly Amount [(1) / 12]	\$	. \$
2009 Plan Project		
(3) Monthly Expense	\$ -	\$
Total Generating Station	<del> </del>	
(4) Monthly Expense [(2) + (3)]	\$ -	\$
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	- \$	\$
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$
(7) Total Generating Station Less Base Rates [(4) - (6)]		\$
8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$
If Line (8) Greater than Zero, No Adjustment	· · · · · · · · · · · · · · · · · · ·	
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	T\$ -	1\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2013

Third Party	O&M Expense Account	Plant	7	Total Q&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	33,799.63
Synthetic Material	502011 - ECR Other Waste Disposal	Trimble County	\$	13,403.14
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	2,755.03
	·			
			·	
Total Monthly Be	neficial Reuse Expense		\$	49,957.80
,				
Adjustment for Be	eneficial Reuse in Base Rates (from ES Form	n 2.61)	\$	(2,926.99)
	use O&M Expense		\$	47,030.81

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: May 31, 2013

On-Site CCP Disposal O&M Expense	Can	e Run		Mill Creek	Tr	imble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)								
(1) 12 Months Ending with Expense Month	\$	_	\$	660,208.76	\$	(14,089.40)	****	646,119.36
(2) Monthly Amount [(1) / 12]	\$	-	\$	55,017.40	\$	(1,174.12)	\$	53,843.28
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	2,755.03	\$	47,202.77	\$	49,957.80
Total Beneficial Reuse - Generating Station								
(4) Monthly Expense [(2) + (3)]	\$	-	\$	57,772.43	\$	46,028.65	\$	103,801.08
Beneficial Reuse in Base Rates			1					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	. \$	-	\$	681,243.22	\$	-	\$	681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$		\$	56,770.27	\$	-	\$	56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	1,002.16	\$	46,028.65	\$	47,030.81
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	(1,752.87)	\$	(1,174.12)	\$	(2,926.99)
If Line (8) Greater than Zero, No Adjustment				· · · · · · · · · · · · · · · · · · ·				
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2.60)	\$		<b>  \$</b>	(1,752.87)	\$	(1,174.12)	\$	(2,926.99)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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	\$ 24,454,377	\$ 8,906,806	\$ 2,078,757	\$ 1,148,262	\$ 135,410	\$ 36,723,612	\$	36,588,202		
Jul-12	32,473,602	12,431,189	2,828,040	1,605,512	285,991	\$ 49,624,333	\$	49,338,342		
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625		
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160	\$ 39,062,646	\$	38,922,486		
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	.\$	24,986,867		
Nov-12	17,423,231	5,809,787	1,949,030	. 745,582	372,920	\$ 26,300,549	\$	25,927,629		
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945		
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543		
Feb-13	22,715,271	7,479,756	. 1,933,379	1,005,854	377,609	\$ 33,511,870	_	33,134,260		
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476		31,443,582		
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999		
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327		
for 12 Months Endi	ing Current Expense Mor						s	33,665,817		
				s ending with Current Me	onth =		\$	80,316,965		
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.92%		

			GRO	UP 2 (Net Revenues) - F	Centucky Jurisdictional R	evenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Jun-12	\$ 32,117,929	\$ 15,784,878	\$ 3,634,227	\$ 611,848	\$ 201,644			
Jul-12	34,823,511	17,039,422	. 3,822,030	663,209	306,547			
Aug-12	33,791,921	16,634,925	3,031,537	652,106	220,802			\$ 34,444,027
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	\$ 46,759,081	4,	\$ 30,366,014
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418			
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244		\$ 26,589,447
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	
· Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180		
Feb-13	28,753,724	13,895,352	、 3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246.	\$ 41,857,954	
. Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976		
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848
Average Monthly J	urisdictional Revenues, E	Excluding Environmental	Surcharge and Fuel,					
for 12 Months Endi	ing Current Expense Mor	nth.	,				\$ 46,651,147	\$ 29,308,496
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current Me	onth =		\$ 80,316,965	
	es as a Percentage of Tot						58.08%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2013

			Revenues per	1	venues per
	·	·	Form 3.00	Incon	ne Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	65,566,413	\$	65,566,413
(2)	Fuel Adjustment Clause	\$	5,471,438	\$	5,471,438
(3)	DSM	\$	1,229,513	\$	1,229,513
(4)	Environmental Surcharge			\$	980,091
(5)	CSR Credits			\$	(297,804)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	72,267,365		
Non -Ju	risdictional Revenues				-
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	7,463,818	\$	7,463,818
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,463,818		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	79,731,183	^	
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		90.64%		
Reconc	iling Revenues		-		
(10)	Brokered	\$	-	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	10,323,930
(13)	Miscellaneous			\$.	1,436,313
(14)	Total Company Revenues per Income Statement =			\$	92,173,713

**Conroy**• JUL **1** 9 2013



Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

July 19, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of June 2013

#### **GROUP 1 (Total Revenue)**

·			
Group 1 E(m) ES Form 1.10, line 16	=	\$	743,201
Group 1 ES Billing Factor ES Form 1.10, line 18	=		2.22%
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16	=	. \$	1,030,126
Group 2 ES Billing Factor ES Form 1.10, line 18	=		3.52%

Effective Date for Billing: August billing cycle beginning July 29, 2013

•

Title: Director, Rates

Date Submitted: July 19, 2013

Submitted by

Calculation of Total E(m) and Group Surcharge Billing Factors

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, 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) Composite Federal & State Income Tax Rate TR Composite receitate state mounts have Pollution Control Operating Expenses
Total Proceeds from By-Product and Allowance Sales
Beneficial Reuse Operating Expenses OE

BAS

BR

•		Pre-2011 Environmental Compliance Plans			2011 Environmental Compliance Plans			
(1) RB	. =	\$	21,731,397	\$	181,203,690			
(2) RB / 12	=	\$	1,810,950	\$	15,100,308			
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	==		10.61%		10.61%			
(4) OE	=	\$	30,405	\$	114,744			
(5) BAS	=	\$	•		Not Applicable			
(6) BR .	=	\$	21,113		Not Applicable			
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$	243,660	\$	1,716,887			
(8) Total $E(m) = sum \text{ of Pre-2011 } E(m) + 2011 E(m)$		\$ .	1,960,547		,			

Calculation of Adjusted Net Jurisdictional E(m)

Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	94,04%
Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	1,843,698
Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	= \$	
Prior Period Adjustment (if necessary)	= \$	• •
Revenue Collected through Base Rates	= \$	70,371
Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	1,773,327
	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]  Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547  Prior Period Adjustment (if necessary)  Revenue Collected through Base Rates	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)] = \$  Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547 = \$  Prior Period Adjustment (if necessary) = \$  Revenue Collected through Base Rates = \$

Calculation of Group Environmental Surcharge Billing Factors

	<u></u>	GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00		41.91%	58,09%
. (16)	Group E(m) [(14) x (15)]	= \$	743,201 \$	1,030,126
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	33,546,804 \$	29,242,148
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2,22%	3,52%

## LOUISVILLE GAS AND ELECTRIC 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 Envirome	ntal C	ompliance Plans	2011 E	nviromenta	al Co	mpliance Plan
\$	14,230,619			\$ 5,	,188,794		
	9,009,662			176,	,337,936		
		\$	23,240,281			\$	181,526,730
	3,765						
	165,472				110,368		
			169,237			,	110,368
	425,126				70,664		
	1,252,995				362,744		
			1,678,121				433,408
		\$	21,731,397			\$	181,203,690
		\$ 14,230,619 9,009,662 3,765 165,472 425,126	\$ 14,230,619 9,009,662 \$ 3,765 165,472	9,009,662 \$ 23,240,281 3,765 165,472 169,237 425,126 1,252,995 1,678,121	\$ 14,230,619 9,009,662 \$ 23,240,281 3,765 165,472 169,237 425,126 1,252,995 1,678,121	\$ 14,230,619 9,009,662 \$ 23,240,281 3,765 165,472 110,368 169,237 425,126 1,252,995 1,678,121	\$ 14,230,619 9,009,662 \$ 23,240,281 3,765 165,472 110,368 169,237 425,126 1,252,995 1,678,121

Determination of Pollution Control Operating Expenses

Section of Fourteen Control Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 97,295
Monthly Depreciation & Amortization Expense	26,897	8,541
less investment tax credit amortization	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	754	
Monthly Surcharge Consulting Fees	·	-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 30,405	\$ 114,744

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
	Comp	oliance Plan
Total Monthly Beneficial Reuse Expense	\$	25,241
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(4,128)
Net Beneficial Reuse Operations Expense	\$	21,113

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	.(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales		-	
Total Proceeds from Sales	\$ -	\$ -	-

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	Deferred Tax Balance as of 6/30/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	s	\$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ -	S - S - S - S -	\$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ -	S - S - S - S -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$ - \$	s -	\$ -	S -	\$ - \$ -	\$ -   \$ -	\$ -   \$ -	S -
Net Total - 2005 Plan:	\$ -	<u> </u>	s -	\$ -	S -	\$ -		s -
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ . \$ .	\$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	s - s -	s - s -	s - s -	s - s -	\$ - \$ -	s - s -	s - s -	s - s -
Net Total - 2006 Plan:  2009 Plan:  Project 22 - Cane Run CCP Storage (Landfill - Phase I)  Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)  Project 24 - Trimble County CCP Storage (Landfill - Phase I)	\$ \$ \$ 9,594,347 \$	s -	\$ 10,047 \$ 9,069,656	\$ 9,244,562 \$ 9,069,656			\$ - \$ 17,393 \$ -	\$ 1,023
Project 25 - Beneficial Reuse  Subtotal  Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 4,636,272 \$ 14,230,619 \$ -		\$ (70,041)	\$ 4,500,936			\$ 9,504 \$ 26,897 \$ -	
Net Total - 2009 Plan:	\$ 14,230,619	\$ 425,126	\$ 9,009,662	22,815,155	\$ 1,252,995		\$ 26,897	7 \$ 2,754
Subtotal - Pre-2011 Plans:	\$ 14,230,619	\$ 425,126	\$ 9,009,662	\$ 22,815,155	\$ 1,252,995	5 <u> </u>	\$ 26,897	7 \$ 2,754

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	Deferred Tax Balance as of 6/30/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ '5,188,794 \$ -	\$ -	\$ 168,644,540 \$ 7,693,396	\$ 7,693,396	\$ -		\$ .8,541 \$ -	\$ 8,346 \$ 562	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,188,794 \$ -	\$ 70,664 \$ -	\$ 176,337,936 \$ -	\$ 181,456,066	\$ 362,744 \$ -		\$ 8,541 \$ -	\$ 8,908	
Net Total - 2011 Plan:	\$ 5,188,794	\$ 70,664	\$ 176,337,936	\$ 181,456,066	\$ 362,744	\$ -	\$ 8,541	\$ 8,908	
Net Total - All Plans:	\$ 19,419,412	\$ 495,790	\$ 185,347,598	\$ 204,271,220	\$ 1,615,739	\$ -	\$ 35,438	\$ 11,661	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: June 30, 2013

Vintage Year	· Nu	mber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year .	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
,		Annual	Ozone Season		Annual	Ozone Season	
Current Year	117,547	6,512	4,653	\$ 672.78	\$ 4,086.29	\$ 113.59	
2014	62,379	14,133	. 6,212				·
2015	62,379						
2016	62,379						
2017	62,379			A			
2018	62,379						
. 2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						•
2023	62,379						
2024	62,379						
2025	62,379				`		
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
. 2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of June 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	123,655	0	6,108	0	0	117,547	
Dollars	\$ 707.74	\$ -	\$ 34.96	\$ -	\$ -	\$ 672.78	
\$/Allowance	\$ 0.01	.\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F					
Quantity	119,202		5,975			113,227	
Dollars	\$ 682.26	\$ -	\$ 34.20	\$ -	\$ -	\$ 648.06	
Quantity	LLOWANCES FR	-	133		-	4,320	
Dollars	\$ 25.48	\$ -	\$ 0.76	\$ -	\$ -	\$ 24.72	
	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-		-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	-	\$ -	
From KU							
Quantity	-	-	-	_	<u> </u>	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	S -	\$ -	\$ -	-	-	
							.'

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of June 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or					
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory ·	Sale Date & Vintage Years					
TOTAL EMISSIO	ON ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS								
Quantity	5,884	0	1,228	3		4,653						
Dollars	\$ 143.63	\$ -	\$ 29.97			\$ 113.59	•					
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$	\$ 0.02						
LLOCATED ALLOWANCES FROM EPA: COAL FUEL												
Quantity	5,545		. 1,157	_	-	4,388	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon					
Dollars	\$ 135.36		\$ 28.24	\$ -	\$ -	\$ 107.12						
					l							
	LLOWANCES FRO	OM EPA: OTHER			T	1						
Quantity	339		71	3		265						
Dollars	\$ 8,27		\$ 1.73	\$ 0.07		\$ 6.47						
	<u> </u>		l									
		<b>7</b> 0										
	FROM PURCHAS	ES:	1			1						
From Market:					0	0						
Quantity	0			0								
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ - \$ -						
\$/Allowance	\$	\$	-	-	\$	-						
T T/TT			T	T	1	T						
From KU:			1		0	. 0						
Quantity	0			0		6						
Dollars	\$ -	\$ -	\$ -   \$ -	\$ - \$ -	\$ - \$ -	1						
\$/Allowance	\$ -	\$ -	-		1.9 -							

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2013

	Beginn	ing	Allocations/	T	Utilized		Utilized			T	Ending	Allocation, Purchase, or
	Invent		Purchases		(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOW	ANCES	IN INVENTOR	Y, A	LL CLASSIFIC	ATIO	INS					
Quantity		7,743	0		1,228		3			0	6,512	
Dollars	\$ 4.	858.73		\$			1.88	\$	-		\$ 4,086.29	
\$/Allowance	\$	0.63	\$ -	\$	0.63	\$	0.63	\$			\$ 0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL												
Quantity		6,986		$\perp$	1,157		-		_		5,829	
Dollars	\$ 4.	,383.70	\$ -	\$	726.01	\$	-	\$	_		\$ 3,657.69	
												•
ALLOCATED AI	LOWANC		M EPA: OTHER	R FU								
Quantity		757			71		3		_	$\rightarrow$	683	
Dollars ·	\$	475.03	\$ -	\$	44.55	\$	1.88	\$		_	\$ 428.60	
	<u> </u>					L						
ALLOWANCES	FROM PU	RCHASI	ES:							_		
From Market:										_		
Quantity		0		0	0		0			0	0	
Dollars	\$	-	\$ -	\$		\$		\$		_	\$ -	
\$/Allowance	\$		\$ -	\$	-	\$	-	\$			\$ -	
From KU:									<u> </u>	_		
Quantity		. 0		0	0		0			0		
Dollars	\$	-	\$ -	\$		\$		\$			\$ -	
\$/Allowance	\$	-	\$ -	\$	-	\$		\$			\$	
												•

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: June 30, 2013

· En	Environmental Compliance Plan								
O&M Expenses	Pre-2011 Plans Am	ount	2011 Plan Amount						
11th Previous Month	\$ /	19,165	\$	64,001					
10th Previous Month		12,834		92,897					
9th Previous Month	1	,192,171		67,315					
8th Previous Month		11,218		70,837					
7th Previous Month		7,075		68,003					
6th Previous Month		· -		86,463					
5th Previous Month		-		60,292					
4th Previous Month		-		74,899					
3rd Previous Month		-		68,131					
2nd Previous Month		13,171		77,967					
Previous Month		47,031		54,842					
Current Month .	•	21,113		97,295					
Total 12 Month O&M	\$ 1	,323,777	\$	882,940					

Determination of Working Capital Allowance									
12 Months O&M Expenses	\$		1,323,777	\$	882,940				
One Eighth (1/8) of 12 Month O&M Expenses		1/8			1/8				
Pollution Control Cash Working Capital Allowance	\$		165,472	\$	110,368				

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2013

O&M Expense Account	Cane Run	Mill Creek	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	-	-		-
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance				-
506154 - ECR NOx Operation Consumables			-	-
506155 - ECR NOx Operation - Labor and Other			-	-
512151 - ECR NOx Maintenance			-	-
506051 - ECR Precipitator Operation			- 1	-
506151 - ECR Activated Carbon				-
512051 - ECR Precipitator Maintenance				-
Total 2006 Plan O&M Expenses	-	-		
				100
2009 Plan			· · · · · · · · · · · · · · · · · · ·	
502013 - ECR Landfill Operations	-			
512107 - ECR Landfill Maintenance	-		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	
Net 2009 Plan O&M Expenses			-	
Subtotal - Pre-2011 Plans	- ]	-		
0011 PI				, 200
2011 Plan 502056 - ECR Scrubber Operations				
512055 - ECR Scrubber Maintenance				
506159 - ECR Sorbent Injection Operation			8,956,98	8,956,98
506159 - ECR Sorbent Injection Operation  506152 - ECR Sorbent Reactant - Reagent Only		· · ·	87.432.83	87,432,83
512152 - ECR Sorbent Injection Maintenance			904.73	904.73
506156 - ECR Baghouse Operations			304.73	704.75
512156 - ECR Baghouse Operations 512156 - ECR Baghouse Maintenance				
506151 - ECR Activated Carbon			-	
Adjustment for Base Rates Baseline Amounts	-			
Total 2011 Plan O&M Expenses			97,294,54	97,294,54
Total 2011 Fiat Occas Expenses			7,500	,,,,,,,,,,,
Current Month O&M Expense for All Plans	15	T\$ -	1\$ 97,294.54   \$	97,294.54

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: June 30, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	\$	- \$ -
		,
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	Ψ
(6) Monthly Expense Amount [(5) / 12]	\$ .	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates	, , , , , , , , , , , , , , , , , , , ,	
djustment for Base Rate Amount (to ES Form 2.50)	\$ -	- \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2013

Third Party	O&M Expense Account	Plant	1	otal O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	22,487.87
Synthetic Material	502011 - ECR Other Waste Disposal	Trimble County	\$	(1,369.38)
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	4,122.77
,	·			
Total Monthly Be	neficial Reuse Expense		\$	25,241.26
Adjustment for Be	\$	(4,128.23)		
Net Beneficial Re	use O&M Expense		\$	21,113.03

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: June 30, 2013

On-Site CCP Disposal O&M Expense	Ca	ne Run		Mill Creek	Tri	imble County		Total
				W				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				1			-	
(1) 12 Months Ending with Expense Month	\$	_	\$	648,161.93	\$	(16,457.57)		631,704.36
(2) Monthly Amount [(1) / 12]	\$	-	\$	54,013.49	\$	(1,371.46)	\$	52,642.03
2009 Plan Project 25								
(3) Monthly Amount (Expense/Revenue)	\$		\$	4,122.77	\$	21,118.49	\$	25,241.26
Total Beneficial Reuse - Generating Station		· · · · · · · · · · · · · · · · · · ·						
(4) Monthly Expense [(2) + (3)]	\$	_	\$	58,136.26	\$	19,747.03	\$	77,883.29
Beneficial Reuse in Base Rates	<u> </u>		_			4		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	681,243.22	\$	_	\$	681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$		\$	56,770.27	\$		\$	56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	<u> </u>	\$	1,366.00	\$	19,747.03	\$	21,113.03
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$		\$	(2,756.77)	\$	. (1,371.46)	\$	(4,128.23)
If Line (8) Greater than Zero, No Adjustment					-			
If Line (8) Less than Zero, Adjustment for Base Rates								
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$		1\$	(2,756.77)	)  \$	(1,371.46)	\$	(4,128.23)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)	(2) (3) (4) (5) (6) (7)									
Month	Non-fuel Environmental Environmental Base Rate Base Rate Fuel Clause DSM Surcharge Total							Total Excluding Environmental Surcharge (7)-(6)			
Jul-12	\$ 32,473,602	\$ 12,431,189	\$ 2,828,040	\$ 1,605,512	\$ 285,991	\$ 49,624,333	\$	49,338,342			
Aug-12	30,456,858	11,544,513	2,104,176	1,490,078	182,511	\$ 45,778,136	\$	45,595,625			
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	. 140,160	\$ 39,062,646	\$	38,922,486			
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867			
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629			
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945			
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543			
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260			
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582			
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999			
May-13	18,232,765	. 5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327			
	Jun-13 23,832,943 7,934,922 2,116,221 1,275,957 541,359 \$ 35,701,403										
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  \$ 12 Months Ending Current Expense Month.											
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =											
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-month	is ending with the Curre	nt Month ·	•		1	41.91%			

				evenues .					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Month			Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)				
	Jul-12	\$ 34,823,511	\$ 17,039,422	\$ 3,822,030	\$ 663,209	\$ 306,547	(2)+(3)+(4)+(5)+(6) \$ 56,654,720	<u> </u>	
	Aug-12		16,634,925	3,031,537	5 663,209	220,802			
	Sep-12		13,851,459	2,370,019	628,671	171,589.			
$\vdash$	Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418			
	Nov-12		13,355,314	3,983,302	475,003	562,181			
	Dec-12		12,895,624	3,525,186		376,768			
<b>—</b>	Jan-13		12,319,544	2,891,065	380,924	328,121			
<u> </u>	Feb-13		13,895,352	3,402,809	359,707	501,282			
	Mar-13		12,156,147	3,239,731	348,517	255,292			
	Apr-13		13,774,118	3,755,159		468,946			
	May-13		13,043,590	3,785,600		621,529			
	Jun-13		\$ 50,387,234						
f	Average Monthly Jor 12 Months Endi Average Kentucky		\$ 46,504,343 \$ 80,051,147	\$ 29,242,148					
		es as a Percentage of Tota						58.09%	

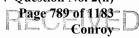
**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: June 30, 2013

	. 1	Revenues per	Re	evenues per
•		Form 3.00	1	me Statement
Kentucky Retail Revenues	$\dashv$		2220	
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	77,822,711	\$	77,822,711
(2) Fuel Adjustment Clause	\$	6,012,854	\$ .	6,012,854
(3) DSM	\$	1,711,712	\$	1,711,712
(4) Environmental Surcharge			\$	1,324,115
(5) CSR Credits			\$	(290,867)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes	= \$	85,547,277		
	$\top$			
Non -Jurisdictional Revenues				
(7) InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	5,418,688	\$	5,418,688
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes	= \$	5,418,688		
		-		
(9) Total Company Revenues for Environmental Surcharge Purposes	= \$	90,965,966		
Jurisdictional Allocation Ratio for Current Month [(5)/(8)]	=	94.04%		
Reconciling Revenues				
(10) Brokered	\$	-	\$	
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	_
(12) Unbilled			\$	4,931,305
(13) Miscellaneous			\$	1,437,407
(14) Total Company Revenues per Income Statement =			\$	98,367,925



AUG 1 6 2013

PUBLIC SERVICE COMMISSION

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

Louisville Gas and Electric Company



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

August 16, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of July 2013

#### **GROUP 1 (Total Revenue)**

		-	
Group 1 E(m) ES Form 1.10, line 16		=	\$ 804,481
Group 1 ES Billing Factor ES Form 1.10, line 18		= .	2.43%
·			
			•
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16		=	\$ 1,131,228
Group 2 ES Billing Factor ES Form 1.10, line 18		=	3.88%

Effective Date for Billing: September billing cycle beginning August 28, 2013

Title: Director, Rates

Date Submitted: August 16, 2013

Submitted by

Calculation of Total E(m) and Group Surcharge Billing Factors

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			=	\$	21,833,415	\$	•	199,791,988
(2) RB / 12			=	\$	1,819,451	\$		16,649,332
(3) (ROR + (ROR	- DR) (TR / (1 - TR)))		=		10,61%			10,61%
(4) OE			=	\$	30,497	\$		147,091
(5) BAS			=	\$ .	-		Not Applica	able
(6) BR			=	\$	15,525		Not Applica	able
(7) E(m)	(2) x (3) + (4) - (5) + (6)		==	\$	239,066	, \$		1,913,585
(8) Total E(m) = s	sum of Pre-2011 E(m) + 2011 E(m)			\$ .	2,152,651			

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	93.97%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	2,022,846
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	= \$	
(12)	Prior Period Adjustment (if necessary)	= \$	<u>-</u>
(13)	Revenue Collected through Base Rates	= \$	87,137
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	1,935,709

Calculation of Group Environmental Surcharge Billing Factors

·	Sitt of the Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of Control of	GROUP 1 (	GROUP 1 (Total Revenue)			GROUP 2 (Net Revenue)		
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	= .	41.56%			58.44%		
(16)	Group E(m) [(14) x (15)]	= \$	804,481	\$		1,131,228		
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	33,126,348	\$		.29,132,095		
(18)	Group Environmental Surcharge Billing Factors [(16) + (17)]	=	2.43%			3.88%		

## LOUISVILLE GAS AND ELECTRIC 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 Enviromental Compliance Plan		
\$ 14,230,619		\$ 5,452,105		
9,156,154		194,675,561		
	\$ 23,386,773		\$ 200,127,666	
2,919				
165,017	Jan Delegan	118,538		
	167,936		118,538	
452,023		79,483		
1,269,271	1. A Gallerine	374,733		
	1,721,294		454,216	
A STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STA	\$ 21,833,415		\$ 199,791,988	
	\$ 14,230,619 9,156,154 	\$ 14,230,619 9,156,154 \$ 23,386,773 2,919 165,017 167,936 452,023 1,269,271 1,721,294	\$ 14,230,619 9,156,154 \$ 23,386,773 2,919 165,017 118,538 452,023 1,269,271 1,721,294	

**Determination of Pollution Control Operating Expenses** 

	Pre-2011 Environmental Compliance Plan	2011 Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 129,363
Monthly Depreciation & Amortization Expense	26,897.	8,820.
less investment tax credit amortization .	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	846	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		
Total Pollution Control Operations Expense	\$ 30,497	\$ 147,091

Determination of Beneficial Reuse Operating Expenses

'	Environmental		
·	Compliance Plan		
Total Monthly Beneficial Reuse Expense	\$	22,027	
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(6,502)	
Net Beneficial Reuse Operations Expense	\$	15,525	

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		<del>,</del>		-		-
Total Proceeds from Sales	\$	-	\$	-	\$	

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2013

. (1)		(2)		(3)		(4)		(5)		(6)		. (7)		. (8)		(9)
Description	1	Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 7/31/2013		IT	Monthly C Amortization Credit	I	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
	1							(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$ \$ \$	- - - - - -	\$ · · · \$ \$ \$ \$	- - - -	\$ \$ \$ \$ \$ \$ \$		\$ \$ \$ \$ \$		\$ \$ \$ \$ \$ \$	- - - -	\$ \$ \$ \$ \$	- - - - -	\$ \$ \$ \$		\$ \$ \$ \$ \$ \$	 - - -
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	1	\$		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Net Total - 2005 Plan:	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	- - - -	\$ \$	- - -	\$ \$	- -	\$ \$	- - -	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$	- - -	\$ \$	· .
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$	-	\$	-	\$ \$	-	\$	-	\$	· -
Net Total - 2006 Plan:	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$ \$ \$	9,594,347 - 4,636,272	\$	- 377,225 - 74,799	\$ \$ \$	(0) 1,859 · 9,224,986 (70,691)	\$	(0) 9,218,981 9,224,986 4,490,782	\$	408,033			\$ \$ \$	 17,393 - 9,504	\$ \$ \$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	\$	452,023	\$	9,156,154	\$	22,934,750	\$	, ,			\$	26,897	\$	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	452,023	\$	9,156,154	\$	22,934,750	\$	1,269,271			\$	26,897	\$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	\$	452,023	\$	9,156,154	\$	22,934,750	\$	1,269,271	F		\$	26,897	\$	2,754

Plant, CWIP & Depreciation Expense

For the Month Ended: July 31, 2013

	(0)	(0)	(4)	(6)	· (0)	(7)	(0)	(0)
- (1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Description	Eligible Plant In Service	Eligible Accumulated Depreciation	CWIP Amount Excluding AFUDC	Eligible Net Plant In Service	Deferred Tax Balance as of 7/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,452,105 \$ -	\$ -	\$ 186,765,530 \$ 7,910,031	\$ 7,910,031	\$ -		\$ 8,820 \$ -	\$ 8,346 \$ 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,452,105 \$ -	\$ 79,483 \$ · -	\$ 194,675,561 \$ -	\$ 200,048,183	\$ 374,733 \$ -		\$ 8,820 \$ -	\$ 8,908 \$ -
Net Total - 2011 Plan:	\$ 5,452,105	\$ 79,483	\$ 194,675,561	\$ 200,048,183	\$ 374,733	\$ -	\$ 8,820	\$ 8,908
Net Total - All Plans:	\$ 19,682,724	\$ 531,506	\$ 203,831,715	\$ 222,982,932	\$ 1,644,003	-	\$ 35,716	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: July 31, 2013

Vintage Year	Nun	nber of Allowand	ces		Tot	al Dolla	ar Value Of Vintage	Year		Comments and Explanations
	SO ₂	ИОх	ЙОх		SO ₂		NOx		NOx	
		Annual	Ozone Season				Annual		Ozone Season	,
Current Year	110,433	5,133	3,274	\$	632.07	\$	3,220.97	\$	79.94	
2014	62,379	14,133	6,212							
2015	62,379									
2016	62,379									
2017	62,379									
2018	62,379									
. 2019	62,379									
2020	62,379									
2021	62,379	١,						1		
2022	62,379					]				
2023	62,379									·
2024	62,379									
2025	62,379									
2026	62,379							l	•	·
2027	62,379									
2028	62,379									
2029	62,379									
2030	62,379								·	
203,1	62,379									
2032	. 62,379									
2033 - 2042	623,790			Ι΄						·

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of July 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	· (Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	117,547	0	7,114	0	0	110,433	
Dollars	\$ 672.78	\$ -	\$ 40.71	\$ -	\$ -	\$ 632.07	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED AL		M EPA: COAL F					
Quantity	113,227		6,942		-	106,285	
Dollars	\$ 648.06	\$ -	\$ 39.73	\$	\$ -	\$ 608.33	
							•
				•			
		OM EPA: OTHER				4 140	
Quantity	4,320	-	172	_	-	4,148	
Dollars	\$ 24.72	-	\$ 0.98	-	\$ -	\$ 23.74	
	l		J	L	l		· · · · · · · · · · · · · · · · · · ·
ALLOWANCES	FROM PURCHAS	ES:				,	
From Market:			}	1			
Quantity	-	-	_		-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	.\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-		-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	\$ -	\$	\$ -	-	\$ -	\$	·

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of July 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY					
Quantity	4,653	0	1,367		0	3,274	
Dollars		\$ -	\$ 33.36	\$ 0.29	\$ -	\$ 79.94	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F					
Quantity	4,388		1,298	-	-	3,090	
Dollars	\$ 107.12		\$ 31.68	-	\$ -	\$ 75.44	
						,	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS 69	12	T -	- 184	
Dollars	\$ 6.47		\$ 1.68		\s -	\$ 4.50	
Donars	0.47		1.00	. 0.25		1.50	•
ALLOWANCES From Market:	FROM PURCHAS	ES:					
Quantity	0	0	0	- 0	0	. 0.	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
rom KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	\$ -	\$	-	\$ -	\$ -	\$ -	
			-				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of July 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,512		1,367	12	0		
Dollars	\$ 4,086.29	\$ -	\$ 857.79		\$ -	\$ 3,220.97	
\$/Allowance	\$ 0.63	\$ -	\$ 0.63	\$ . 0.63	\$ -	\$ 0.63	
ALLOCATED AL	I OWANCES ED	OM EPA: COAL F	TIRT				
Quantity	5,829		1,298		_	4,531	
Dollars	\$ 3,657.69		\$ 814.49		\$ -	\$ 2,843.20	,
	, , , , , , , , , , , , , , , , , , , ,		1	-			
ALLOCATED AI	LOWANCES FR	OM EPA: OTHER	FUELS				·
Quantity	683		69	12	T	602	
Dollars	\$ 428.60	\$ -	\$ 43.30	\$ 7.53	\$ -	\$ 377.77	
ALLOWANCES	FROM PURCHA	SES:					
From Market:							
Quantity	(	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	-		·
							P
From KU:					-,		
Quantity	(						
Dollars	\$ -	\$ -	\$ -	\$ -	-	\$ -	
\$/Allowance	\$ -	\$ -	-				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: July 31, 2013

. Environmer	ntal Compliance Plan			
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount		
11th Previous Month	\$ 12,834	\$ 92,897		
10th Previous Month	1,192,171	67,315		
9th Previous Month	11,218	70,837		
8th Previous Month	7,075	68,003		
7th Previous Month	<u>-</u>	86,463		
6th Previous Month	-	60,292		
5th Previous Month	-	74,899		
4th Previous Month		68,131		
3rd Previous Month	13,171	77,967		
2nd Previous Month	47,031	54,842		
Previous Month	21,113	97,295		
Current Month	. 15,525	129,363		
Total 12 Month O&M	\$ 1,320,137	\$ 948,302		

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,320,137	\$		948,302					
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	165,017	\$		118,538					

Pollution Control - Operations & Maintenance Expenses For the Month Ended: July 31, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
OOF No.		,	•	
005 Plan 502056-ECR Scrubber Operations	,	te according to the contracting of		
512055-ECR Scrubber Maintenance				
Total 2005 Plan O&M Expenses			-	-
006 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				-
502056 - ECR Scrubber Operations		-	-	
512055 - ECR Scrubber Maintenance			-	-
506154 - ECR NOx Operation Consumables				
506155 - ECR NOx Operation Consumables 506155 - ECR NOx Operation Labor and Other			-	
512151 - ECR NOx Operation Labor and Other			-	
			· -	-
506051 - ECR Precipitator Operation				<del></del>
506151 - ECR Activated Carbon				<u>-</u>
512051 - ECR Precipitator Maintenance Total 2006 Plan O&M Expenses	-		<u> </u>	
Total 2000 I fall Occivi Expenses				
2009 Plan				
502013 - ECR Landfill Operations	-			-
512107 - ECR Landfill Maintenance	-			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-	_
Net 2009 Plan O&M Expenses	_		-	
Subtotal - Pre-2011 Plans	T T		T - T	
2011 Plan	-			
502056 - ECR Scrubber Operations				
512055 - ECR Scrubber Maintenance		-		-
506159 - ECR Sorbent Injection Operation			16,245.83	16,245.8
506152 - ECR Sorbent Reactant - Reagent Only			112,586.57	112,586.
512152 - ECR Sorbent Injection Maintenance			530.46	530.4
506156 - ECR Baghouse Operations		<u> </u>	-	-
512156 - ECR Baghouse Maintenance			-	
506151 - ECR Activated Carbon		-	₹.	
Adjustment for Base Rates Baseline Amounts		·	100 262 26	100.000
Total 2011 Plan O&M Expenses			129,362.86	129,362.8
Current Month O&M Expense for All Plans			1\$ 129,362.86	\$ 129,362.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: July 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
This complete the time of according to the		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	- \$ -
(2) Monthly Amount [(1) / 12]	\$ .	- \$ -
2009 Plan Project		
(3) Monthly Expense	\$	- \$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$	- \$ -
Base Rates	`	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$ -
(6) Monthly Expense Amount [(5) / 12]	\$	- \$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$	- \$
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	1\$	- 1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: July 31, 2013

Third Party	O&M Expense Account	Plant		Гotal О&М
			T	
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	22,130.69
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	(103.44)
	. ,			
Total Monthly Be	eneficial Reuse Expense		\$	22,027.25
Adjustment for Bo	eneficial Reuse in Base Rates (from ES Form 2	.61)	\$	(6,502.47)
Net Beneficial Re	euse O&M Expense		\$	15,524.79

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: July 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run		Mill Creek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	- \$	619,903.24	\$ (16,689.64)		603,213.60
(2) Monthly Amount [(1) / 12]	\$	- \$	51,658.60	\$ (1,390.80)	) \$	50,267.80
2009 Plan Project 25			,			
(3) Monthly Amount (Expense/Revenue)	\$	- \$	(103.44)	\$ 22,130.69	\$	22,027.25
Total Beneficial Reuse - Generating Station					<del> </del>	
(4) Monthly Expense [(2) + (3)]	\$	- \$	51,555.16	\$ 20,739.89	\$	72,295.05
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	- \$	681,243.22	\$ -	\$	681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$	- \$	56,770.27	\$ -	\$	56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	- \$	(5,215.11)	\$ 20,739.89	\$	15,524.79
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	- \$	(5,111.67)	<del></del>		(6,502.47)
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\$	- 18	(5,111.67)	(1,390.80	)  \$	(6,502.47)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)	
-	Non-fuel	D D. t.	F . 1 Cl	700.6	Environmental	T-4-1		Total Excluding	
Month ·	Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	. DSM / Revenues	Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)		Environmental Surcharge (7)-(6)	
Aug-12	\$ 30,456,858	\$ 11,544,513	\$ 2,104,176	\$ 1,490,078	\$ 182,511	\$ 45,778,136	\$	45,595,625	
Sep-12	26,263,406	9,708,052	1,699,376	1,251,651	140,160		\$	38,922,486	
Oct-12		5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867	
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629	
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945	
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543	
Feb-13	22,715,271	7,479,756	. 1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260	
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582	
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999	
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327	
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044	
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865	
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								
		excluding Environmental			onth =		\$	79,711,797	
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	ns ending with the Curren	nt Month			<u></u>	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)		
Aug-12	\$ 33,791,921	\$ 16,634,925	\$ 3,031,537	\$ 652,106	\$ 220,802			\$ 34,444,027		
Sep-12	29,737,343	13,851,459	2,370,019	628,671	171,589	<del></del>	\$ 46,587,492	\$ 30,366,014		
Oct-12	26,687,011	13,278,156	2,642,617	. 499,375	294,418		\$ 43,107,159	\$ 27,186,386		
Nov-12		13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447		
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026		
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059	\$ 25,592,450		
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431		
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246	\$ 41,857,954	\$ 26,462,076		
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976	\$ 46,606,031	\$ 29,076,753		
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848		
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756	\$ 51,169,990	\$ 50,387,234	\$ 31,933,593		
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091		
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 29,132,095		
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =  GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month									

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2013

			Revenues per	R	evenues per
			Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	93,126,201	\$	93,126,201
(2)	Fuel Adjustment Clause	\$	6,433,470	\$	6,433,470
(3)	DSM	\$	2,054,634	\$	2,054,634
(4)	Environmental Surcharge			\$	1,989,339
(5)	CSR Credits		•	\$	(256,722)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	101,614,305	,	
Non -Ju	urisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	6,518,733	\$	6,518,733
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	6,518,733		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	108,133,039		:
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$	<u> </u>	93.97%		
Recond	ciling Revenues				
(10)	Brokered	\$		\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	
(12)	Unbilled			\$	(3,352,738)
(13)	Miscellaneous			\$	1,637,302
(14)	Total Company Revenues per Income Statement =			\$	108,150,220



PUBLIC SERVICE COMMISSION

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602 Louisville Gas and
Electric Company
State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.lge-ku.com

September 16, 2013

Robert M. Conroy Director - Rates T 502-627-3324

RE: Monthly Environmental Surcharge Report

T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of August 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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.

Also attached to this letter is a copy of an invoice for services provided to the Commission by Vantage Consulting in LG&E's 2011 ECR Compliance Plan filing. ES Form 2.0 reflects the expenses paid in August 2013.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID# 27-2585037

INVOICE DATE:

8/1/2013

2011-56

INVOICE #:

20130716

INVOICE PERIOD:

07/01/2013-07/31/2013

PROJECT NAME:

Kentucky LGE Environmental Compliance

ITAGE PROJECT#:

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	HTMCIM	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD .	TOTALS
		MOUVED	IMIL	LEES	LAPLITULO	AMOUNT	The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon
Wait Drabinski	7/01/2013-07/31/2013	13	\$260	\$3,380.00	\$992.43		
Chuck Buechel	17/01/2013-07/31/2013	10	\$240	\$2,400.00	\$100.00	\$2,500.00	19 1 1 1 1
Mîke Boismenu	7/01/2013-07/31/2013	- 6	\$240	\$1,440.00		\$1,440.00	
SUB TOTALS	***************************************	29	AMERICAN AND AND AND AND AND AND AND AND AND A	\$7,220.00	\$1,092.43	\$8,312.43	1967月18世纪这些情况
TOTAL FEES	giar as rain in a sadim de sider com Ammilia e de la propies de servicio e que a				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		\$7,220.00
TOTAL PERSONAL	EXPENSES		•				\$1,092.43
OVERNIGHT MAIL							\$0.00.
COPYING - Black/M	/hite						\$0.00
COPYING - Color			•				\$0.00
MISCELLANEOUS						•	
Invoice Amount	•						\$8,312.43
TOTAL MONTHL	Y INVOICE AMOU	NT		·		,	\$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

Al 8/12/1.

Robert M. Conroy
Director - Rates
LG&E and KU Energy, LLC

KU, LGE 20130716, 8/6/2013

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of August 2013

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$ 889,898
Group 1 ES Billing Factor ES Form 1.10, line 18	=	2.70%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 16	= '	\$ 1,262,214
Group 2 ES Billing Factor ES Form 1.10, line 18	. =	4.34%

Effective Date for Billing: October billing cycle beginning September 26, 2013

Submitted by:

Date Submitted: September 16, 2013

Title: Director, Rates

Calculation of Total E(m) and Group Surcharge Billing Factors

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 Environ Compliance P		I1 Environmental npliance Plans			
(1) RB	=	\$	21,972,191	\$	217,750,275
(2) RB / 12	=	\$	1,831,016	\$	18,145,856
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=		10.61%		10.61%
4) OE	_ =	\$	30,571	\$	160,973
5) BAS	. =	\$	-		Not Applicable
6) BR	. =	\$	25,206		Not Applicable
7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$	250,048	\$	2,086,248
8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)	·	\$	2,336,296		

Calculation of Adjusted Net Jurisdictional E(m)

•	2 d Juste	a rect our succional E(m)		 		٦.
	(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=		95,56%	
	(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	=	\$	2,232,564	
	(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	=	\$	-	
	(12)	Prior Period Adjustment (if necessary)	=	\$	-	
	(13)	Revenue Collected through Base Rates	=	\$	80,452	
	(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]		\$	2,152,112	
						1

Calculation of Group Environmental Surcharge Billing Factors

		GROUP	1 (Total Revenue) GR	OUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	<b>=</b>	41.35%	58.65%
(16)	Group E(m) [(14) x (15)]	= \$	889,898 \$	1,262,214
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3,00	= \$	33,000,995 \$	29,109,156
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.70%	4.34%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2013

Determination of Environmental Compliance Rate Base

Better miniation of Entri official Compilation Rate Base						
·	Pre	-2011 Envirome	ntal C	ompliance Plans	2011 Enviromenta	al Compliance Plan
Eligible Pollution Control Plant	\$	14,230,619			\$ 5,452,105	
Eligible Pollution CWIP Excluding AFUDC		9,337,475			212,649,143	
Subtotal			\$	23,568,094		\$ 218,101,248
Additions:						
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		1,999				
Cash Working Capital Allowance		166,564			124,308	
Subtotal				168,563		124,308
Deductions:						
Accumulated Depreciation on Eligible Pollution Control Plant		478,920			88,581	
Pollution Control Deferred Income Taxes		1,285,546			386,700	
Subtotal				1,764,466		475,281
Environmental Compliance Rate Base			\$	21,972,191		\$ 217,750,275

**Determination of Pollution Control Operating Expenses** 

Determination of Tonation Court of Operating Expenses		
	Pre-2011	2011
	Environmental	Environmental
·	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 139,060
Monthly Depreciation & Amortization Expense	26,897	9,098
less investment tax credit amortization	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	920	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		3,907
Total Pollution Control Operations Expense	\$ 30,571	\$ 160,973

Determination of Beneficial Reuse Operating Expenses

8		
	Enviro	nmental
	Compli	ance Plan
Total Monthly Beneficial Reuse Expense	\$	29,541
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(4,335)
Net Beneficial Reuse Operations Expense	\$	25,206

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$ -
Scrubber By-Products Sales	-	-	-
Total Proceeds from Sales	\$ -	\$ -	\$ -

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		Deferred Tax Balance as of 8/31/2013		Monthly ITC Amortization Credit		]	Monthly Depreciation Expense		Monthly operty Tax Expense
	+				_			(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1	\$ \$ \$		\$ \$ \$	-	\$ \$	-	\$ \$ \$		\$	-	\$ \$ \$	-	s s	-	\$ \$ \$	
Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	- - -	\$ \$ \$	-	\$ \$ \$	- - -	\$ \$ \$		\$ \$ \$	- - -	\$ \$ \$	-
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	\$	-	\$	-	\$	<del>-</del> .	\$		\$	-	\$	-	\$	-	\$	-
Net Total - 2005 Plan:	\$	-	\$	-	\$	-	\$	-	\$		\$	-	\$	-	\$	-
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	-	\$ \$ \$	- - -	\$ \$	- - -	\$ \$ \$	:	\$ \$ \$	:	\$ \$ \$	1 2	\$ \$ \$	- - -	\$ \$ \$	
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$ _.	-	\$		\$	-	\$	-	\$	-
Net Total - 2006 Plan:	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - 4,636,272	\$	394,617 - 84,303	\$ \$ \$	4,725 9,403,441 (70,691)		9,204,455 9,403,441 4,481,278	\$	- 422,037 - 863,509			\$ \$ \$	- 17,393 - 9,504	\$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	14,230,619 -	\$	478,920	\$	9,337,475	\$	23,089,174	s	1,285,546			s s	26,897 -	\$	2,754 -
Net Total - 2009 Plan:	\$	14,230,619	\$	478,920	\$	9,337,475	\$	23,089,174	\$	1,285,546			\$	· 26,897	\$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	\$	478,920	\$	9,337,475	\$	23,089,174	\$	1,285,546	E		\$	26,897	\$	2,754

. 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	Deferred Tax Balance as of 8/31/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,452,105 \$	\$ 88,581 \$ -	\$ 204,649,248 \$ 7,999,894	, ,			\$ 9,098 \$ -	\$ 8,346 \$ 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,452,105 \$ -	\$ 88,581 \$ -	\$ 212,649,143 \$ -	\$ 218,012,666 \$ -	\$ 386,700 \$ -		\$ 9,098 \$ -	\$ 8,908
Net Total - 2011 Plan:	\$ 5,452,105	\$ 88,581	\$ 212,649,143	\$ 218,012,666	\$ 386,700	-	\$ 9,098	\$ 8,908
Net Total - All Plans:	\$ 19,682,724	\$ 567,501	\$ 221,986,618	\$ 241,101,840	\$ 1,672,246	\$ -	\$ 35,995	\$ 11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: August 31, 2013

Vintage Year	Nur	nber of Allowand	es	Tot	al Dolla	ar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	102,921	3,647	1,788	\$ 589.08	\$	2,288.50	\$ 43.65	·
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379				1			
2018	62,379							
2019	62,379							
2020	62,379				J			
2021	62,379							
2022	62,379							
2023	62,379							,
2024	62,379							
2025	62,379							,
2026	62,379	•	•					
2027	62,379							•
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033 - 2042	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of August 2013

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	1 21,01101)	T di Olidoo	(Courres)	(Culci Lucis)	Dola	1 miromory	but but & Things Tours
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY		ATIONS	•		
Quantity	110,433	0	7,512	0	0	102,921	
Dollars	\$ 632.07	\$ -	\$ 42.99	\$ -	\$ -	\$ . 589.08	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	106,285	-	7,387		-	98,898	1
Dollars	\$ 608.33	\$ -	\$ 42.27	\$ -	\$ -	\$ 566.06	
~	ALLOWANCES FRO		FUELS 125	-	· · · -	4,023	
Quantity	4,148	-			-	4,023	
Dollars	\$ 23.74	\$ -	\$ 0.72	\$	\$ -	\$ 23.02	2
	S FROM PURCHAS	ES:	I				
From Market:		<u> </u>	ļ				• • • • • • • • • • • • • • • • • • • •
Quantity Dollars	\$ -	\$ -	\$ -		S -		
\$/Allowance			-			\$ -	
\$/Allowance		\$ -	-	-	-	-	
From KU							
Quantity	-	_	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
		-					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of August 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			C
Quantity	3,274	0	1,482	. 4	. 0	1,788	
Dollars	\$ 79.94	\$ -	\$ 36.19	\$ 0.10	\$ -	\$ 43.65	
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ . 0.03	\$ -	\$ 0.02	
ALLOCATED AL		OM EPA: COAL F					
Quantity	3,090		1,411	_	-	1,679	
Dollars	\$ 75.44		\$ 34.46	\$ -	\$ -	\$ 40.98	
						<u> </u>	
		OM EPA: OTHER			P		
Quantity	184		71	4	-	109	
Dollars	\$ 4.50		\$ 1.73	\$ 0.10	\$ -	\$ 2.67	
	l			l		1	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	0	0		0	0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	-	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
					,		
From KU:							
Quantity	0	0	0	0	0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
						,	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of August 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIO	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	5,133	0	1,482	4	0	3,647	
Dollars	\$ 3,220.97	\$ -	\$ 929.96	\$ 2.51	\$ -	\$ 2,288.50	
\$/Allowance	\$ 0.63	\$ -	\$ 0.63	\$ 0.63	\$ -	\$ 0.63	·
ALLOCATED AI		OM EPA: COAL F					
Quantity	4,531	-	1,411	-	-	3,120	•
Dollars	\$ 2,843.20	\$ -	\$ 885.41	\$	\$ -	\$ 1,957.79	
						,	
		OM EPA: OTHER				507	
Quantity	602		71	4	-	\$ 330.71	
Dollars	\$ 377.77	\$ -	\$ 44.55	\$ 2.51	\$ -	\$ 330.71	
				<u> </u>	L	1	
	FROM PURCHAS	SES:					
From Market:							
Quantity	0	0	0	. 0	. ^ 0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -		-	-	\$ -	-	
From KU:							
Quantity	C			0	. 0		
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	-	-	-	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2013

En	vironmental Complianc	e Plan				
O&M Expenses	Pre-201	1 Plans Amount	2011 Plan Amount			
11th Previous Month	\$	1,192,171	\$	67,315		
10th Previous Month		11,218		70,837		
9th Previous Month		7,075		68,003		
8th Previous Month		-		86,463		
7th Previous Month		-		60,292		
6th Previous Month				74,899		
5th Previous Month		-		68,131		
4th Previous Month		13,171		77,967		
3rd Previous Month		47,031		54,842		
2nd Previous Month		21,113		97,295		
Previous Month		15,525		129,363		
Current Month		25,206		139,060		
Total 12 Month O&M	\$ ,	1,332,508	\$	994,466		

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,332,508	\$	994,466						
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	166,564	\$	124,308						

Pollution Control - Operations & Maintenance Expenses For the Month Ended: August 31, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 Plan				
502056-ECR Scrubber Operations			-	-
512055-ECR Scrubber Maintenance	-			-
Total 2005 Plan O&M Expenses			-	-
006 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	-	-	-	-
502056 - ECR Scrubber Operations			-	-
512055 - ECR Scrubber Maintenance			-	
506154 - ECR NOx Operation — Consumables				-
506155 - ECR NOx Operation Labor and Other			-	-
512151 - ECR NOx Maintenance			-	-
506051 - ECR Precipitator Operation			- '	-
506151 - ECR Activated Carbon			-	-
512051 - ECR Precipitator Maintenance				-
Total 2006 Plan O&M Expenses	-	-	-	
•				
009 Plan				
502013 - ECR Landfill Operations			-	
512107 - ECR Landfill Maintenance	-		· - ·	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-			
Net 2009 Plan O&M Expenses	-		- 1	-
Subtotal - Pre-2011 Plans	- 1	-		
A11 D				
011 Plan 502056 - ECR Scrubber Operations				
512055 - ECR Scrubber Maintenance	-		_	
506159 - ECR Sorbent Injection Operation			9,760,51	9,760.
506152 - ECR Sorbent Injection Operation  506152 - ECR Sorbent Reactant - Reagent Only			126,289.87	126,289.
512152 - ECR Sorbent Injection Maintenance			3,009.48	3,009.
506156 - ECR Baghouse Operations		-	5,007.40	5,007.
512156 - ECR Baghouse Operations 512156 - ECR Baghouse Maintenance			-	
506151 - ECR Activated Carbon				
Adjustment for Base Rates Baseline Amounts				
Total 2011 Plan O&M Expenses			139,059,86	139,059.
A State 2011 1 Idii Ottiri Daponsos		1.00 M	1,	,007.
Current Month O&M Expense for All Plans	T\$ -	•	\$ 139,059.86   \$	139,059.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Printing COD Discosal Positities (Due 2000 Dieu Dusiest)		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	- \$	\$ -
(1) 12 Months Ending with Expense Month	Φ.	\$ -
(2) Monthly Amount [(1) / 12]	-	Φ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
	\$ -	\$ -
(4) Monthly Expense [(2) + (3)]	- μ	Ψ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	-	- \$
(6) Monthly Expense Amount [(5) / 12]	\$ -	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	T\$ -	- I\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: August 31, 2013

Third Party	O&M Expense Account	Plant	T	otal O&M
			T	
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	26,440.70
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	3,100.00
Total Monthly Beneficia	l Reuse Expense		\$	29,540.70
Adjustment for Beneficia	al Reuse in Base Rates (from ES Form 2.61)	) .	\$	(4,334.85)
Net Beneficial Reuse O&			\$	25,205.85

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2013

On-Site CCP Disposal O&M Expense	Can	e Run		Mill Creek	Tri	mble County	Total
This District Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control			1				 
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			-	646.011.00	Φ.	(15.606.26)	 (20,004,04
(1) 12 Months Ending with Expense Month	\$	-	\$	646,911.30	\$	(17,686.36)	629,224.94
(2) Monthly Amount [(1) / 12]	\$		\$	53,909.28	\$	(1,473.86)	\$ 52,435.42
2009 Plan Project 25							
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	3,100.00	\$	26,440.70	\$ 29,540.70
Total Beneficial Reuse - Generating Station			1				
(4) Monthly Expense [(2) + (3)]	. \$	_	\$	57,009.28	\$	24,966.84	\$ 81,976.12
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year	r) \$	-	\$	681,243.22	\$	-	\$ 681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$	_	\$	56,770.27	\$	-	\$ 56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	•	\$	239.01	\$	24,966.84	\$ 25,205.85
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	(2,860.99)	\$	(1,473.86)	\$ (4,334.85)
							 •
If Line (8) Greater than Zero, No Adjustment							
If Line (8) Less than Zero, Adjustment for Base Rates						· · · · · · · · · · · · · · · · · · ·	
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$	_	T\$	(2,860.99)	1\$	(1,473.86)	(4,334.85

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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 Ju	risdictional Revenues					
(1)	(2)	(3)	(4)	(5)	(6)	(6) (7)				
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	]	Total Excluding Environmental Surcharge (7)-(6)		
Sep-12	\$ 26,263,406	\$ 9,708,052	\$ 1,699,376	\$ 1,251,651	\$ 140,160	\$ 39,062,646	\$	38,922,486		
Oct-12	17,264,585	5,749,735	1,234,328	738,218	187,221	\$ 25,174,087	\$	24,986,867		
Nov-12	17,423,231	5,809,787	1,949,030	745,582	372,920	\$ 26,300,549	\$	25,927,629		
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945		
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016		\$	34,873,543		
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260		
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582		
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999		
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327		
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359		\$	35,160,044		
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865		
Aug-13		12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388		
for 12 Months Endi	ng Current Expense Mor		•		The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		\$	33,000,995		
		excluding Environmental			onth =		\$	79,808,681		
GROUP 1 Revenue	s as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.35%		

			GRO	OUP 2 (Net Revenues) - I	Kentucky Jurisdictional R	evenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Sep-12	\$ 29,737,343	\$ 13,851,459	\$ 2,370,019	\$ 628,671	\$ 171,589	\$ 46,759,081	\$ 46,587,492	\$ 30,366,014
Oct-12	26,687,011	13,278,156	2,642,617	499,375	294,418	\$ 43,401,577	\$ 43,107,159	\$ 27,186,386
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244		
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768			
Jan-13	25,211,526	12,319,544	2,891,065	380,924		\$ 41,131,180	\$ 40,803,059	
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431
Mar-13	· 26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246	\$ 41,857,954	\$ 26,462,076
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976	\$ 46,606,031	
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756		\$ 50,387,234	\$ 31,933,593
. Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758
Average Monthly J	urisdictional Revenues, I	Excluding Environmental	Surcharge and Fuel,					
for 12 Months End	ing Current Expense Mor	nth.					\$ 46,807,686	\$ 29,109,156
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Me	onth =		\$ 79,808,681	
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	ns ending with the Curre	nt Month			58.65%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2013

			n	n	
			Revenues per		venues per
			Form 3.00	Inco	me Statement
Kentucl	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	93,831,430	\$	93,831,430
(2)	Fuel Adjustment Clause	\$	4,972,494	\$	4,972,494
(3)	DSM	\$	2,064,800	\$	2,064,800
(4)	Environmental Surcharge			\$	2,184,738
(5)	CSR Credits			\$	(240,912)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	100,868,724		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	4,687,804	\$	4,687,804
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	4,687,804		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	105,556,529		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		95.56%		
Reconc	iling Revenues				
(10)	Brokered	\$	-	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	(2,232,453)
(13)	Miscellaneous	Π		\$	1,630,667
(14)	Total Company Revenues per Income Statement =			\$	106,898,569



PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

October 18, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of September 2013

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16		<u>=</u>	\$ 937,539
Group 1 ES Billing Factor ES Form 1.10, line 18		=	2.81%
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 16		=	\$ 1,325,407
Group 2 ES Billing Factor ES Form 1.10, line 18	·	=	4.52%

Effective Date for Billing: November billing cycle beginning October 28, 2013

Submitted by

Title: Director, Rates

Date Submitted: October 18, 2013

· Calculation of Total E(m) and Group Surcharge Billing Factors

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	=	\$ 22,171,510	\$	233,301,370			
(2) RB / 12	=	\$ 1,847,626	\$	19,441,781			
(3) (ROR + (ROR - DR) (TR / (1 - TR)))	=	10.61%		10.61%			
(4) OE	, =	\$ 30,512	\$	140,786			
(5) BAS	=	\$ -		Not Applicable			
6) BR		\$ 13,858		Not Applicable			
(7) E(m) (2) x (3) + (4) - (5) + (6)	=	\$ 240,403	\$	2,203,559			
(8) Total E(m) = sum of Pre-2011 E(m) + 2011 E(m)		\$ 2,443,962					

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	= '	96.12%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	2,349,136
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	= \$	
(12)	Prior Period Adjustment (if necessary)	= \$	
(13)	Revenue Collected through Base Rates	= \$	86,190
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	2,262,946

Calculation of Group Environmental Surcharge Billing Factors

	Environmental Surenai ge Binnig Pactors	GROUP	1 (Total Revenue)	GROUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00		, 41.43%	58,57%
(16)	Group E(m) [(14) x (15)]	= \$	937,539 \$	1,325,407
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	_= \$	33,373,768 \$	29,298,711
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	= '	2,81%	4.52%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of September 2013

Determination of Environmental Compliance Rate Base

	D.	1,138 19,275 20,413					
	PI	3-2011 Environmen	ntai C	compliance Plans		al Co	omphance Pian
Eligible Pollution Control Plant	\$	14,230,619			\$ 5,452,105		
Eligible Pollution CWIP Excluding AFUDC		9,728,117			228,214,370		
Subtotal ·			\$	23,958,736		\$	233,666,475
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		1,138					
Cash Working Capital Allowance		19,275			131,241		
Subtotal				20,413			131,241
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant		505,817			97,679		
Pollution Control Deferred Income Taxes		1,301,822			398,667		
Subtotal				1,807,639			496,346
Environmental Compliance Rate Base	-		\$	22,171,510		\$	233,301,370

**Determination of Pollution Control Operating Expenses** 

Determination of Fondion Control Operating Expenses		
	Pre-2011 Environmental Compliance Plan  \$ - 26,897 - 2,754 861	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$	\$ 122,780
Monthly Depreciation & Amortization Expense	26,897	9,098
less investment tax credit amortization	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	861	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 30,512	\$ 140,786

Determination of Beneficial Reuse Operating Expenses

	Env	ironmental
	Comp	oliance Plan
Total Monthly Beneficial Reuse Expense	\$	20,898
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(7,040)
Net Beneficial Reuse Operations Expense	\$	13,858

Proceeds From By-Product and Allowance Sales

	Total	Amount in	Net
	Proceeds	Base Rates	Proceeds
	(1)	(2)	(1) - (2)
Allowance Sales	\$ -	\$ -	\$
Scrubber By-Products Sales	-	-	
Total Proceeds from Sales	\$ -	\$ -	\$ -

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2013

. (1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)
. Description	I I	Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2013	Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
	T T		,				***	(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	\$ \$ \$ \$ \$ \$ \$ \$		\$ \$ \$ \$ \$ \$	 - - -	\$ \$ \$ \$	· -	\$ \$ \$ \$ \$	- - - -	\$ \$ \$ \$ \$	- - - -	\$ \$ \$ \$ \$	. <u> </u>	\$ \$ \$ \$	  	\$ \$ \$ \$	
Subtotal Less Retirements and Replacement resulting from implementation of 2005 Plan	s	-	\$	-	\$	-	s s	-	\$	-	\$	· -	s s	<del>-</del> .	\$	-
Net Total - 2005 Plan:	s	· -	s		\$	-	\$		s	-	s	_	S	-	S	
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors	\$ \$ \$	- - -	\$ \$ \$	- - - -	\$ \$ \$	·	\$ \$	-	\$ \$ \$	- - -	\$ \$ \$	·	\$ \$ \$ \$	- - - -	\$ \$ \$	- - -
Subtotal Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	\$	-	\$	-	\$		\$	-	\$ \$		\$	-	s s	
Net Total - 2006 Plan:	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - 4,636,272	\$	412,010 - 93,807	\$ \$ \$	5,431 9,792,920 (70,235)	\$ \$ \$	9,187,768 9,792,920 4,472,230	\$	436,041			\$ \$ \$ \$	17,393 - 9,504	\$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	s s	505,817	s s	9,728,117	\$	23,452,919	s s				\$	26,897	\$	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	505,817	\$	9,728,117	\$	23,452,919	\$	1,301,822			\$	26,897	\$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	S	505,817	18	9,728,117	15	23,452,919	15	1,301,822			S	26,897	15	2,754

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	Deferred Tax Balance  as of 9/30/2013	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense	
				(2)-(3)+(4)					
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,452,105 \$ -	\$ 97,679 \$ -	\$ 220,128,826 \$ 8,085,543				\$ 9,098 \$ -	\$ 8,346 \$ 562	
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,452,105 \$ -	\$ 97,679 \$ -	\$ 228,214,370 \$ -	\$ 233,568,795 \$ -	\$ 398,667 \$ -		\$ 9,098	\$ 8,908	
Net Total - 2011 Plan:	\$ 5,452,105	\$ 97,679	\$ 228,214,370	\$ 233,568,795	\$ 398,667	\$ -	\$ 9,098	\$ 8,908	
Net Total - All Plans:	\$ 19,682,724	\$ 603,496	\$ 237,942,486	\$ 257,021,714	\$ 1,700,489	\$ -	\$ 35,995	\$ 11,661	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: September 30, 2013

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Va	due Of Vintage	Year	Comments and Explanations
	SO ₂	ŅОх	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season		A	nnual	Ozone Season	
Current Year	97,187	2,243	384	\$ 556.26	\$	1,407.48	\$ 9.37	
2014	62,379	14,133	6,212					
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							· ·
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379		•					
2030	62,379							
- 2031	62,379							
2032 .	62,379							
2033 - 2042	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of September 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or			
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold -	Inventory	Sale Date & Vintage Years			
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS						
Quantity	102,921	0	5,734	0	0	97,187				
Dollars	\$ 589.08	\$ -	\$ 32.82	\$ -	\$ -	\$ 556.26				
\$/Allowance	\$ 0.01		\$ 0.01		\$ -	\$ 0.01				
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL										
Quantity	98,898	-	5,578		-	93,320				
Dollars	\$ 566,06	\$ -	\$ 31.93	\$ -	\$ -	\$ 534.13				
	<u> </u>									
ALLOCATED AI	LOWANCES FRO	OM EPA: OTHER	FUELS 156	Γ -	T -	3,867				
Dollars	\$ 23.02		\$ 0.89			\$ 22.13				
Dollars	\$ . 23.02	J -	\$ 0.09	-	, a	\$ 22.13				
	FROM PURCHAS	ES:								
From Market:										
Quantity	-	-	-	-	-	-				
Dollars \$/Allowance	\$ - \$ -	\$ - \$ -	\$ -	\$ ~	\$ -	\$ -				
\$/Allowance		-	\$ -	-	\$ -					
From KU	Τ	Ι	T	1	T					
Quantity	-	-	-		_	-				
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -				
·\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
	·									

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of September 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or				
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years				
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	ATIONS			٠				
Quantity	1,788	0	1,401	3	0	384					
Dollars	\$ 43.65	\$ -	\$ 34.21	\$ 0.07	\$ -	\$ 9.37					
\$/Allowance	\$ 0.02	\$ -	\$ 0.02	\$ 0.02	\$ -	\$ 0.02					
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity	1,679	,	1,321	-	-	358					
Dollars	\$ 40.98		\$ 32.25	\$	\$ -	\$ 8.73					
				-							
		OM EPA: OTHER				1					
Quantity	109		80	3	-	26					
Dollars .	\$ 2.67		\$ 1.96	\$ 0.07	\$ -	\$ 0.64					
	L			L	L.	L					
	FROM PURCHAS	ES:	<b>Y</b>								
From Market:	•										
Quantity	0	0	0	0	0	0.					
Dollars	\$ -	\$ -	S -	\$ -	\$ -	\$ -					
\$/Allowance		-	-	-	\$ -	\$ -					
			·								
From KU:							•				
Quantity	0	. 0		, 0	0	0					
Dollars	\$	\$ -	\$ -	\$ -	\$	\$ -					
\$/Allowance		\$ -	\$ -	-	\$ -	\$ -	•				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2013

	Beginn	ing	Allocat	tions/	Uti	lized	. U	tilized				Ending		Allocation, Purchase, or
	Invente		Purch	ases ·	(Coal	Fuel)	(Oth	ner Fuels)		Sold		Inventory		Sale Date & Vintage Years
			-											
TOTAL EMISSI	ON ALLOW	ANCES	IN INVE	NTORY	ALL CI	ASSIFIC	ATIONS							
Quantity	T	3,647		0		1,401			3		0	2,	,243	
Dollars	\$ 2,	288.50	\$	-	\$	879.14	\$	1.	38 \$		-	\$ 1,407	7.48	
\$/Allowance	\$	0.63	\$	-	\$	0.63	\$	0.	53 \$		-	\$ (	0.63	·
	•			-										
ALLOCATED A	LLOWANC	ES FRO	M EPA: 0	COALF	UEL		1							
Quantity .		3,120		-		1,321		-				1,	,799	
Dollars	\$ 1,	957.79	\$	-	\$ .	828.94	\$	-	\$		-	\$ 1,128	8.85	
	1													
ALLOCATED A	LLOWANC		M EPA: (	OTHER	FUELS									
Quantity		527		-		80			3		-		444	
Dollars	\$	330.71	\$	-	\$	50.20	\$	1.	88 \$		-	\$ 27	8.63	
										-				
														•
ALLOWANCES	FROM PUL	RCHASI	ES:											
From Market:														
Quantity		0		0		0			0		0		0	
Dollars	\$		\$	_	\$		\$					\$ .	-	
\$/Allowance	\$	-	\$		\$		\$			3.		\$	-	
From KU:														
Quantity		0		0		0			0		0			
Dollars	\$		\$	-	\$		\$		`		-	\$	-	
\$/Allowance	\$	-	\$		\$		\$			3	-	\$	- 1	
							•							
i														· ·

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: September 30, 2013

Environme	ental Compliance Plan				
O&M Expenses	Pre-2011 Plans Amount	2011 Plan Amount			
11th Previous Month	\$ 11,218	\$ 70,837			
10th Previous Month	7,075	68,003			
9th Previous Month	-	86,463			
8th Previous Month	-	60,292			
7th Previous Month	·-	74,899			
6th Previous Month	-	68,131			
5th Previous Month	13,171	77,967			
4th Previous Month	47,031	54,842			
3rd Previous Month	21,113	97,295			
2nd Previous Month	15,525	129,363			
Previous Month	25,206	139,060			
Current Month	13,858	122,780			
Total 12 Month O&M	\$ 154,196	\$ 1,049,930			

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	154,196	\$	1,049,930						
One Eighth (1/8) of 12 Month O&M Expenses		1/8		1/8						
Pollution Control Cash Working Capital Allowance	\$	19,275	\$	131,241						

Pollution Control - Operations & Maintenance Expenses For the Month Ended: September 30, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
005 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	-		_	
502056 - ECR Scrubber Operations				_
512055 - ECR Scrubber Maintenance			-	
506154 - ECR NOx Operation Consumables			-	
506155 - ECR NOx Operation Labor and Other			-	
512151 - ECR NOx Maintenance			-	-
506051 - ECR Precipitator Operation			-	-
506151 - ECR Activated Carbon			· -	
512051 - ECR Precipitator Maintenance			- 1	-
Total 2006 Plan O&M Expenses		-	- 1	-
2009 Plan				
502013 - ECR Landfill Operations	· -			_
512107 - ECR Landfill Maintenance	_		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		-	_
Net 2009 Plan O&M Expenses	-		-	-
A I S A S				
Subtotal - Pre-2011 Plans		-	-	
2011 Plan		•		
502056 - ECR Scrubber Operations		-		
512055 - ECR Scrubber Maintenance		-		_
506159 - ECR Sorbent Injection Operation			14,156.57	14,156.
506152 - ECR Sorbent Reactant - Reagent Only		-	104,446.20	104,446.
512152 - ECR Sorbent Injection Maintenance			4,176.86	4,176
506156 - ECR Baghouse Operations			-	•
512156 - ECR Baghouse Maintenance			-	
506151 - ECR Activated Carbon		-	-	
Adjustment for Base Rates Baseline Amounts		-		
Total 2011 Plan O&M Expenses		-	122,779.63	122,779.
Current Month O&M Expense for All Plans		\$ -	\$ 122,779.63	\$ 122,779.

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
The complete the title of the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the complete the c		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$ -	Ψ
(2) Monthly Amount [(1) / 12]	\$ -	• \$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	- \$
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
(v)		
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)]	\$ -	Φ.
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	- 1\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: September 30, 2013

Third Party	O&M Expense Account	Plant	]	Γotal O&M
			1	
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	20,932.78
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	(34.34)
	·			
Total Monthly Benefic	ial Reuse Expense	*	\$	20,898.44
Adjustment for Benefic	cial Reuse in Base Rates (from ES Form 2.6	51)	T\$	(7,040.42)
Net Beneficial Reuse (	D&M Expense		\$	13,858.02

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2013

On Site COD Disposed O SM Estrates		Can a Dava		Mill Consts	Т	imble County	 Total
On-Site CCP Disposal O&M Expense		Cane Run		Mill Creek	11.	imble County	 Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)	T						
(1) 12 Months Ending with Expense Month	\$	_	\$	616,548.44	\$	(19,790.24)	\$ 596,758.20
(2) Monthly Amount [(1) / 12]	\$ .	_	\$	51,379.04	\$	(1,649.19)	\$ 49,729.85
2009 Plan Project 25						,	-
(3) Monthly Amount (Expense/Revenue)	\$	-	\$	. (34.34)	\$	20,932.78	\$ 20,898.44
Total Beneficial Reuse - Generating Station							
(4) Monthly Expense [(2) + (3)]	\$	-	\$	51,344.70	\$	19,283.59	\$ 70,628.29
Beneficial Reuse in Base Rates							
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-	\$	681,243.22	\$	-	\$ 681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$		\$	56,770.27	\$	-	\$ 56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-	\$	(5,425.57)	\$	19,283.59	\$ 13,858.02
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	-	\$	(5,391.23)		(1,649.19)	\$ (7,040.42)
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)	\$	-	\$	(5,391.23)	\$	(1,649.19)	\$ (7,040.42)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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 Ju	risdictional Revenues			
(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	P	Total Excluding Environmental Surcharge (7)-(6)
Oct-12	\$ 17,264,585	\$ 5,749,735	\$ 1,234,328	\$ 738,218	\$ 187,221	\$ 25,174,087	\$	24,986,867
Nov-12	17,423,231	5,809,787	1,949,030	745,582	. 372,920	\$ 26,300,549	\$	25,927,629
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260
Mar-13	21,559,743	6,990,269	1,953,209	940,361	· 166,894	\$ 31,610,476	\$	31,443,582
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999
May-13	18,232,765	5,560,173	1,685,838	891,551.	358,562	\$ 26,728,889	\$	26,370,327
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044
Jul-13	28,199,351	12,013,577	2,508,157	1;571,779	898,877	\$ 45,191,741	\$	44,292,865
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108		44,091,388
Sep-13		12,441,263	343,593	1,626,915	1,054,484	\$ . 44,450,256	\$	43,395,771
Average Monthly Ju	urisdictional Revenues, I	Excluding Environmental	Surcharge,				1	
	ng Current Expense Mor						\$	33,373,768
		excluding Environmental			onth =		\$	80,552,368
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.43%

			GRO	UP 2 (Net Revenues) - F	Kentucky Jurisdictional R	evenues	•	
(1)	(2)	(3)	(4)	(5)	. (6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)
Oct-12	\$ 26,687,011	\$ 13,278,156	\$ 2,642,617	\$ 499,375	\$ 294,418			\$ 27,186,386
Nov-12	26,114,444	13,355,314	3,983,302	475,003	562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059	\$ 25,592,450
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246	\$ 41,857,954	\$ 26,462,076
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976	\$ 46,606,031	\$ 29,076,753
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756	\$ 51,169,990		\$ 31,933,593
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758
Sep-13	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455.	\$ 32,640,672
for 12 Months Endi	ing Current Expense Mor		-				\$ 47,178,600	\$ 29,298,711
		excluding Environmental			onth =	- V- 1949	\$ 80,552,368	
GROUP 2 Revenue	es as a Percentage of Tot	al Revenues for 12-month	ns ending with the Curre	nt Month			58.57%	

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: September 30, 2013

		1	Revenues per	R	evenues per
			Form 3.00		me Statement
Vontuel	Try Detail Devenues		FOIM 5.00	meo	me Statement
	xy Retail Revenues	<u> </u>			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	91,320,660	\$	91,320,660
(2)	Fuel Adjustment Clause	\$	996,296	\$	996,296
(3)	DSM ·	\$	2,117,270	\$	2,117,270
(4)	Environmental Surcharge			\$	2,311,718
(5)	CSR Credits		,	\$	(245,819)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	94,434,227		
Non - In	risdictional Revenues				
(7)	InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	3,807,566	\$	3,807,566
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	3,807,566	<u> </u>	2,007,200
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	98,241,793		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		96.12%		
				1	
Reconc	iling Revenues				
(10)	Brokered	\$ -	-	\$	<b>-</b>
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	(8,058,106)
(13)	Miscellaneous			\$	1,305,738
(14)	Total Company Revenues per Income Statement =			\$	93,555,324



**PUBLIC SERVICE** COMMISSION



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

November 15, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of October 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2012-00547, LG&E 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,

Robert M. Conroy

**Enclosures** 

1 | 1

Louisville Gas and **Electric Company** State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213

www.lge-ku.com

robert.conroy@lge-ku.com

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of October 2013

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 16	=	\$	1,005,026
Group 1 ES Billing Factor ES Form 1.10, line 18	=		2.97%
GROUP 2 (Net Revenue)		,	
Group 2 E(m) ES Form 1.10, line 16	=	\$	1,420,816
Group 2 ES Billing Factor ES Form 1.10, line 18	=		4.78%

Effective Date for Billing: December billing cycle beginning November 26, 2013

Submitted by:

Title: Director, Rates

Date Submitted: November 15, 2013

Calculation of Total E(m) and Group Surcharge Billing Factors

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

·				l 1 Environmental npliance Plans	2011 Environmental Compliance Plans
1) RB	•	=	\$	22,293,030	\$ 258,550,877
2) RB / 12		=	\$	1,857,753	\$ 21,545,906
3) (ROR + (ROR - DR) (TR / (	1 - TR)))	=		10,61%	10,61%
4) OE		. =	\$	32,660	\$ 46,737
5) BAS		=	\$ .	-	· Not Applicable
6) BR		=	\$	28,808	Not Applicable
7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	258,576	\$ 2,332,758
8) Total E(m) = sum of Pre-201	11 E(m) + 2011 E(m)		\$	2,591,334	

Calculation of Adjusted Net Jurisdictional E(m)

(9)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96.41%
(10)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(8) x (9)]	= \$	2,498,305
(11)	Adjustment for (Over)/Under-collection pursuant to Case No. 2012-00547	= \$	
(12)	Prior Period Adjustment (if necessary)	= \$	-
(13)	Revenue Collected through Base Rates	= \$	72,463
(14)	Adjusted Net Jurisdictional E(m) [(10) + (11) + (12) - (13)]	= \$	2,425,842

Calculation of Group Environmental Surcharge Billing Factors

" Group.	Environmenta, Surcharge Dining Factors				
		GROU	P 1 (Total Revenue)	GRO	OUP 2 (Net Revenue)
(15)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=	41.43%		58.57%
(16)	Group E(m) [(14) x (15)]	= \$	1,005,026	\$	1,420,816
(17)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	= \$	33,839,817	\$	29,722,330
(18)	Group Environmental Surcharge Billing Factors [(16) ÷ (17)]	=	2.97%		4.78%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of October 2013

Determination of Environmental Compliance Rate Base

Pr	e-2011 Envirome	ntal C	Compliance Plans	20	11 Enviromenta	al Co	ompliance Plan
\$	14,230,619			\$	5,452,105		
-	9,892,762				253,490,206		
63.00		\$	24,123,381			\$	258,942,311
100							
	338	5					
	21,473	in L			125,978		
			21,811				125,978
	534,924				106,778		
	1,317,238	1.1	Albania (Maria)		410,634		
	1 기계 기계 기계 기계 기계 기계 기계 기계 기계 기계 기계 기계 기계		1,852,162				517,412
		\$	22,293,030			\$	258,550,877
	P ₁	\$ 14,230,619 - 9,892,762 - 338 - 21,473 - 534,924	\$ 14,230,619 - 9,892,762 \$ 338 - 21,473 - 534,924	9,892,762 \$ 24,123,381 338 21,473 21,811 534,924 1,317,238 1,852,162	\$ 14,230,619	\$ 14,230,619	\$ 14,230,619 . 9,892,762 \$ 24,123,381 \$ 24,123,381 \$ 21,473 21,811 \$ 125,978 21,811 \$ 106,778 1,317,238 1,852,162

**Determination of Pollution Control Operating Expenses** 

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·	Pre-2011	2011
	Environmental	Environmental
	Compliance Plan	Compliance Plan
Monthly Operations & Maintenance Expense	\$ -	\$ 28,731
Monthly Depreciation & Amortization Expense	29,107	9,098
less investment tax credit amortization	-	
Monthly Taxes Other Than Income Taxes	2,754	8,908
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	799	
Monthly Surcharge Consulting Fees		
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$ 32,660	\$ 46,737

Determination of Beneficial Reuse Operating Expenses

	Envir	ronmental
	Compl	liance Plan
Total Monthly Beneficial Reuse Expense	\$	42,155
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(13,347)
Net Beneficial Reuse Operations Expense	\$	28,808

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	\$ -	\$ -	\$ -

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		Deferred Tax Balance as of 10/31/2013	ITC	Monthly C Amortization Credit		Monthly Depreciation Expense	Prop	onthly perty Tax xpense
								(2)-(3)+(4)								
2005 Plan: Project 11 - Special Waste Landfill Expansion at Mill Creek Project 12 - Special Waste Landfill Expansion at Cane Run Station Project 13 - Scrubber Refurbishment at Trimble County Unit 1 Project 14 - Scrubber Refurbishment at Cane Run Unit 6 Project 15 - Scrubber Refurbishment at Cane Run Unit 5 Project 16 - Scrubber Improvements at Trimble County Unit 1	. s . s . s . s	·	\$ \$ \$ \$ \$	- - - - -	\$ \$ \$ \$	- - - - -	\$ \$ \$ \$ \$	- - - - - -	\$ \$ \$ \$	- - - - -	\$ \$ \$ \$ \$		\$ \$ \$ \$ \$	- - - - -	\$ \$ \$ \$	- - - - -
Subtotal	s		\$			_	S		\$		S		<u> </u>		\$	
Less Retirements and Replacement resulting from implementation of 2005 Plan	s	-	\$	- -	\$	-	\$	-	s		\$		s	-	s	-
Net Total - 2005 Plan:	\$	-	\$	•	\$	-	\$	-	\$	-	\$	-	\$	_	\$	-
2006 Plan: Project 18 - TC2 AQCS Equipment Project 19 - Sorbent Injection Project 20 - Mercury Monitors Project 21 - Mill Creek Opacity and Particulate Monitors Subtotal	s s s	- - -	\$ \$ \$	: :	\$ \$ \$	- - - -	\$ \$ \$	: : :	\$ \$ \$		\$ \$ \$	- - - -	\$ \$ \$	- - - -	\$ \$ \$ \$	
Less Retirements and Replacement resulting from implementation of 2006 Plan	\$	-	s	-	\$		\$		\$	-	\$	-	s	-	s	
Net Total - 2006 Plan:	\$	-	\$	-	\$	_	\$		\$		\$	-	\$	-	\$	
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase I) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - - 4,636,272	\$ \$ \$	431,612 103,312	\$ \$ \$	5,013 9,966,989 (79,240)	\$ \$ \$	9,167,748 9,966,989 4,453,720	\$	449,186 - 868,052			\$ \$ \$	19,603 - 9,504	\$ \$ \$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	\$	534,924	s	9,892,762	\$	23,588,457	\$	1,317,238			s s	29,107	s s	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	534,924	\$	9,892,762	\$	23,588,457	\$	1,317,238	F		\$	29,107	\$	2,754
Subtotal - Pre-2011 Plans:	\$	14,230,619	\$	534,924	   \$	9,892,762	\$	23,588,457	\$	1,317,238	$\vdash$		\$	29,107	\$	2,75

Plant, CWIP & Depreciation Expense

For the Month Ended: October 31, 2013

/1>	1	(2)		(2)	Ī	(4)		(5)		(6)	(7)	T	(8)		(9)
(1)  Description		(2) Eligible Plant In Service	(3)  Eligible  Accumulated  Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 10/31/2013		Monthly ITC Amortization Credit	Monthly		P	Monthly troperty Tax
								(2)-(3)+(4)							
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	5,452,105	\$	. 106,778	s s	243,871,047 9,619,158		249,216,375 9,619,158		410,634 -		\$	9,098 -	\$	8,346 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	s	5,452,105	\$	106,778	\$	253,490,206	\$	258,835,533	\$	410,634		s	9,098	\$	- 8,908
Net Total - 2011 Plan:	\$	5,452,105	\$	106,778	\$	253,490,206	\$	258,835,533	\$	410,634	\$ -	\$	9,098	\$	8,908
Net Total - All Plans:	\$	19,682,724	\$	641,702	\$	263,382,968	\$	282,423,990	\$	1,727,872	\$ -	\$	38,205	\$	11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: October 31, 2013

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Value Of Vintag	e Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	91,679	933	384	\$ . 524.74	\$ . 585.4	5 \$ 9.37	,
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379				•		
2019	62,379			·			
2020	62,379						
2021	62,379					,	
2022 .	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
. 2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of October 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or				
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years				
TOTAL EMISSIC	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS							
Quantity	97,187	0	5,508	0	. 0	91,679					
Dollars	\$ 556.26	\$ -	\$ 31.52		\$	\$ 524.74					
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$	\$ 0.01					
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL											
Quantity	93,320	-	5,431			87,889					
Dollars	\$ 534.13	\$ -	\$ 31.08	\$ -	\$ -	\$ 503.05					
ALLOCATED AT	LLOWANCES FRO	OM EPA: OTHER	FUELS 77			3,790	· · · · · · · · · · · · · · · · · · ·				
Dollars	\$ 22.13	\$ -	\$ 0.44	\$ -	\$ -	\$ 21.69					
						7					
	FROM PURCHAS	ES:	-								
From Market:	<del> </del>						The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon				
Quantity Dollars		\$ -	-   \$ -		\$ -	\$ -					
\$/Allowance	\$ -	\$ -	\$ -	S -	\$ -	\$ -					
\$/Allowance	19 -		-	-	ΙΨ -	Ι Ψ					
From KU		1				1					
Quantity	-	-	_	_		-					
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -					
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	,				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of October 2013

	Beginning	Allocations/	Utilized	Utilized	0.14	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	. Sale Date & Vintage Years
				•			
	N ALLOWANCE:						
Quantity	384		0	0	0		
Dollars	\$ 9.37		\$ -	\$ -	\$ -	\$ 9.37	
Allowance	\$ 0.02	\$ -	\$ -	-	\$ -	\$ 0.02	
	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	358		-	-	-	358	
Dollars	\$ 8.73		\$ -	\$ -	\$ -	\$ 8.73	
							,
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
Quantity	26		-	-	-	26	
Dollars	\$ 0.64		\$ -	\$ -	\$ -	\$ 0.64	
ALLOWANCES	FROM PURCHAS	ES:					
rom Market:							
Quantity	0	0	, 0	0	0	0	·
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
rom KU:	•						
Quantity	0	0	0	0	0	0	
Dollars	\$ -	·\$ -	\$ -	\$ -	\$	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		1					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2013

	Beginnin	o T	Allocations/	Т	Utilized		Utilized				Ending	Allocation, Purchase, or
-	Inventor		Purchases	- 1	(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
	ni onto,		T di Citabob	_	(Court doi)		(Outer 1 delb)				21,01101)	
TOTAL EMISSIC	N ALLOWA	NCES	IN INVENTO	RY.	ALL CLASSIFIC	ATIO	NS					
Quantity		,243		0	1,306		4		0		933	
Dollars	\$ 1,40	7.48	\$	.	\$ 819.52	\$	2.51	\$	-	\$	585.45	
\$/Allowance	\$	0.63	\$ -		\$ 0.63	\$	0.63	\$	_	\$	0.63	
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL												
Quantity	1	,799		.	1,274		-		-		525	
Dollars	\$ 1,12	8.85	\$ -	.	\$ 799.44	\$		\$		\$	329.41	
										<u> </u>		
					•							•
ALLOCATED AI	LLOWANCES		M EPA: OTH	ER 1								
Quantity		444		.	32		4.			_	408	
Dollars	\$ 27	8.63	\$ -		\$ 20.08	\$	2.51	\$	_	\$	256.04	
ALLOWANCES	FROM PURC	CHAS				,						
From Market:						1				_		
Quantity		0		0	0		. 0		0	1_	0	
Dollars	\$	-	4.	-	\$ -	\$		\$		\$		
\$/Allowance	\$	- :			\$ -	\$		\$		\$		
			<b>T</b>									
From KU:	ļ									_		
Quantity	<u> </u>	0		0	0	-	0	1_	0	_		
Dollars	\$	-	\$		\$ -	\$	-	\$		\$		
\$/Allowance	\$		\$ .		- *	\$		\$	-	\$	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2013

Env	vironmental Compliand	e Plan			
O&M Expenses	Pre-20	11 Plans Amount	2011 Plan Amount		
11th Previous Month -	\$	7,075	\$	68,003	
10th Previous Month		-		86,463	
9th Previous Month		-		60,292	
8th Previous Month		-		74,899	
7th Previous Month		-		68,131	
6th Previous Month		13,171		77,967	
5th Previous Month		47,031		54,842	
4th Previous Month	,	21,113		97,295	
3rd Previous Month		15,525		129,363	
2nd Previous Month	· ·	25,206		139,060	
Previous Month		13,858		122,780	
Current Month	·	28,808		28,731	
Total 12 Month O&M	\$ .	171,786	\$	1,007,823	

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$		-	171,786	\$	1,007,823				
One Eighth (1/8) of 12 Month O&M Expenses			1/8			1/8				
Pollution Control Cash Working Capital Allowance	\$	,		21,473	\$	125,978				

Pollution Control - Operations & Maintenance Expenses For the Month Ended: October 31, 2013

O&M Expense Account	Cane Run	Mill Creek	Trimble County	Total
2005 Plan 502056-ECR Scrubber Operations				·
512055-ECR Scrubber Maintenance				
: Total 2005 Plan O&M Expenses			<b>-</b>	-
		and the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of t		
2006 Plan	•			
506159 - ECR Sorbent Injection Operation			-	-
506152 - ECR Sorbent Reactant - Reagent Only			<u>-</u>	-
512152 - ECR Sorbent Injection Maintenance				
506150 - ECR Mercury Monitors Operation		-		_
512153 - ECR Mercury Monitors Maintenance	-	-	-	· <u>-</u>
502056 - ECR Scrubber Operations			-	-
. 512055 - ECR Scrubber Maintenance				
506154 - ECR NOx Operation Consumables			-	
506155 - ECR_NOx Operation Labor and Other				
512151 - ECR NOx Maintenance				
506051 - ECR-Precipitator Operation				-
506151 - ECR Activated Carbon				-
512051 - ECR Precipitator Maintenance Total 2006 Plan O&M Expenses			-	
Total 2006 Flan Owlvi Expenses		<u> </u>		
2009 Plan				
502013 - ECR-Landfill Operations	· -		-	-
512107 - ECR Landfill Maintenance	-		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	-		_	-
Net 2009 Plan O&M Expenses	-		_	
Subtotal - Pre-2011 Plans	· -	I :	-	-
2011 74				
2011 Plan 502056 - FCR Scrubber Operations				
502056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance		-		
506159 - ECR Sorbent Injection Operation		-	12,183.45	12,183.45
506152 - ECR Sorbent Reactant - Reagent Only		-		16,258.42
512152 - ECR Sorbent Injection Maintenance				288.84
506156 - ECR Baghouse Operations				200.0-
512156 - ECR Baghouse Maintenance		-		
506151 - ECR Activated Carbon				-
Adjustment for Base Rates Baseline Amounts				-
Total 2011 Plan O&M Expenses		-	28,730.71	28,730.71
Current Month O&M Expense for All Plans	1\$ -	1.8	1\$ 28,730.71	1\$ 28,730.7

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	-	\$ -
(2) Monthly Amount [(1) / 12]	\$ -	\$ -
2009 Plan Project		
(3) Monthly Expense	\$ -	\$ -
Total Generating Station		
(4) Monthly Expense [(2) + (3)]	\$ -	\$ -
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -	\$ -
(6) Monthly Expense Amount [(5) / 12]	. \$	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -	\$ -
If Line (8) Greater than Zero, No Adjustment	,	
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	-	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: October 31, 2013

Third Party	O&M Expense Account	Plant	T	Total O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	27,355.00
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	11,661.88
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	3,138.60
				,
			-	
Total Monthly Beneficia	l Reuse Expense	,	\$	42,155.48
Adjustment for Beneficia	\$	(13,347.05)		
Net Beneficial Reuse O&	kM Expense		\$	28,808.43

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2013

On-Site CCP Disposal O&M Expense	Cane Run			Mill Creek		Trimble County		Total	
			1						
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)			ļ			(61 688 05)		501.000.61	
(1) 12 Months Ending with Expense Month	\$	-	\$	582,755.89	\$	(61,677.25)		521,078.64	
(2) Monthly Amount [(1) / 12]	-   \$		\$	48,562.99	\$	(5,139.77)	\$	43,423.22	
2009 Plan Project 25									
(3) Monthly Amount (Expense/Revenue)	\$	40	\$	3,138.60	\$	39,016.88	\$	42,155.48	
Total Beneficial Reuse - Generating Station	_	•							
(4) Monthly Expense [(2) + (3)]	\$	-	\$	51,701.59	\$	33,877.11	\$	85,578.70	
Beneficial Reuse in Base Rates			<del> </del>						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	, \$	-	\$	681,243.22	\$		\$	681,243.22	
(6) Monthly Expense Amount [(5) / 12]	\$	-	\$	56,770.27	\$	-	\$	56,770.27	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		\$	(5,068.68)	\$	33,877.11	\$	28,808.43	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	_	\$	(8,207.28)		(5,139.77)	\$	(13,347.05)	
If Line (8) Greater than Zero, No Adjustment							-		
If Line (8) Less than Zero, Adjustment for Base Rates							<u> </u>		
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$		1\$	(8,207.28)	1 \$	(5,139.77)	1 \$	(13,347.05)	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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 Ju	risdictional Revenues					
. (1)	(2)	. (3)	(4)	(5)	(6)	(7)		(8)		
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	E	Total Excluding Environmental Surcharge (7)-(6)		
Nov-12	\$ 17,423,231	\$ 5,809,787	\$ 1,949,030	\$ 745,582	\$ 372,920	\$ 26,300,549	\$	25,927,629		
Dec-12	19,060,442	6,548,255	1,811,385	840,863	246,102	\$ 28,507,047	\$	28,260,945		
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543		
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260		
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476		31,443,582		
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999		
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327		
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044		
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865		
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	_	44,091,388		
Sep-13	28,984,000	12,441,263	. 343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771		
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450		
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.									
			Surcharge for 12-month		onth =		\$	81,683,792		
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month				41.43%		

	•		GRO	UP 2 (Net Revenues) - F	Centucky Jurisdictional R	evenues	• .			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revenues plus DSM (2)+(5)		
Nov-12	\$ 26,114,444	\$ 13,355,314	\$ 3,983,302	\$ 475,003	\$ 562,181	\$ 44,490,244	\$ 43,928,063	\$ 26,589,447		
Dec-12	25,123,011	12,895,624	3,525,186	464,015	376,768	\$ 42,384,604	\$ 42,007,836	\$ 25,587,026		
Jan-13	25,211,526	12,319,544	2,891,065	380,924	328,121	\$ 41,131,180	\$ 40,803,059			
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874				
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246				
Apr-13:	28,734,131	. 13,774,118	3,755,159	342,622	468,946	\$ 47,074,976		\$ 29,076,753		
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566		\$ 29,067,848		
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756					
Jul-13	33,683,236	19,230,037	3,925,313	. 482,855	1,090,462	\$ 58,411,903				
Aug-13	33,693,401	19,533,849	. 3,074,730	475,357	1,206,018			\$ 34,168,758		
Sep-13-	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689				
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817		
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.									
Average Kentucky	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-month	s ending with Current Me	onth =		\$ 81,683,792			
		al Revenues for 12-mont					58.57%			

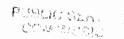
Reconciliation of Reported Revenues

For the Month Ended: October 31, 2013

			Revenues per	R	evenues per
			Form 3.00		ome Statement
Kentuc	ky Retail Revenues		,	. :	
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	80,233,538	\$	80,233,538
(2)	Fuel Adjustment Clause	\$	(73,393)	\$	(73,393)
(3)	DSM	\$	1,510,965	\$	1,510,965
(4)	Environmental Surcharge	·		\$	2,209,552
(5)	CSR Credits			\$	(293,413)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	81,671,110		
Non -Ju	urisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	3,041,109	\$	3,041,109
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	3,041,109		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	84,712,219		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		96.41%		
Recond	iling Revenues				
(10)	Brokered	\$	_	\$	<u>-</u>
(11)	InterSystem (Transmission Portion Booked in Account 447)	_		\$	
(12)	Unbilled			\$	(5,158,056)
(13)	Miscellaneous			\$	1,248,613
(14)	Total Company Revenues per Income Statement =			- \$	82,718,914



DEC 2 0 2013



Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

December 20, 2013

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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, LG&E revised the ES Forms as approved by the Commission in its Order in Case No. 2013-00243, the most recent two-year review case.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of November 2013

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,201,198
Group 1 ES Billing Factor ES Form 1.10, line 17	=	3.54%
GROUP 2 (Net Revenue)	٠.	
Group 2 E(m) ES Form 1.10, line 15	=	\$ 1,691,860
Group 2 ES Billing Factor ES Form 1.10, line 17	=	5.68%

Effective Date for Billing: January billing cycle beginning December 31, 2013

Submitted by: 5

Title: Director, Rates

Date Submitted: December 20, 2013

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of November 2013

#### . Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RO	(TR/(1-TR)) + OE - BAS + BR, where	
RB	=	Environmental Compliance Rate Base	
ROR	=	Rate of Return on the Environmental Compliance Rate E	3ase
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	
DR TR OE BAS	= =	Debt Rate (both short-term and long-term debt) Composite Federal & State Income Tax Rate Pollution Control Operating Expenses Total Proceeds from By-Product and Allowance Sales	3

			Environmental Compliance Plans	
				-
(1) RB	•	=	\$	309,271,936
(2) RB / 12		=	\$	. 25,772,661
(3) (ROR + (ROR - I	OR) (TR / (1 - TR)))	=		10.26%
(4) OE		=	\$	171,727
(5) BAS		=	\$	-
(6) BR	•	=	\$	15,002
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	2,831,003

Calculation of Adjusted Net Jurisdictional E(m)

90.64%
56,021
´
39,127
-
52,090
93,058
6

Calculation of Group Environmental Surcharge Billing Factors

	oup Entra official Section and American		GROUP 1 (Total Revenue)		GROU	P 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.52%		58.48%
(15)	Group E(m) [(13) x (14)]	=	\$	1,201,198	\$	1,691,860
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	33,917,457	\$	29,771,836
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	==		3,54%		5.68%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of November 2013

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan						
Eligible Pollution Control Plant	\$ - 19,682,724	19/1/19/19					
Eligible Pollution CWIP Excluding AFUDC	291,864,749						
Subtotal	\$	311,547,473					
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	9,755						
Cash Working Capital Allowance	149,871						
Subtotal	-	159,626					
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant	679,907						
Pollution Control Deferred Income Taxes	1,755,256						
Subtotal		2,435,163					
Environmental Compliance Rate Base	\$	309,271,936					

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 79,438
Monthly Depreciation & Amortization Expense	38,205
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	11,661
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	42,423
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 171,727

**Determination of Beneficial Reuse Operating Expenses** 

	Env	ironmental
	Comp	oliance Plan
Total Monthly Beneficial Reuse Expense	\$	23,855
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(8,853)
Net Beneficial Reuse Operations Expense	\$	15,002

Proceeds From By-Product and Allowance Sales

	Total Proceeds		Aı	mount in	Net Proceeds			
			В	ase Rates				
	(1)		(2)			(1) - (2)		
Allowance Sales	\$	-	\$	-	\$			
Scrubber By-Products Sales		-		-				
Total Proceeds from Sales	\$	-	\$	-	\$	-		

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2013

(1)	T	(2)		(3)		(4)	47	(5)		(6)	 (7)		(8)		(9)
(1) Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2013	Monthly Amortization Credit	D	Monthly epreciation Expense		Monthly roperty Tax Expense
								(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]	in the last													1000	
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - 4,636,272	\$	451,215 - 112,816	\$	5,007 9,813,460 (79,542)	\$	9,148,139 9,813,460 · 4,443,914	\$	462,331 870,324		\$ \$ \$	-	\$ \$ \$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	s s	564,031	\$	9,738,925	\$	23,405,513	\$	1,332,655		\$ \$	29,107	\$	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	564,031	\$	9,738,925	\$	23,405,513	\$	1,332,655	 	\$	29,107	\$	2,754
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	5,452,105	s .	115,876	s s	268,284,918 13,840,906		. 273,621,147 13,840,906		422,602		s s	9,098	s s	8,346 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	5,452,105	s	115,876	\$	282,125,823	\$	287,462,053	\$	422,602		\$	9,098	\$	8,908
Net Total - 2011 Plan:	\$	5,452,105	\$	115,876	\$	282,125,823	\$	287,462,053	\$	422,602	\$ -	\$	9,098	\$	8,908
									Τ						
Net Total - All Plans:	\$	19,682,724	\$	679,907	\$	291,864,749	\$	310,867,566	\$	1,755,256	\$ -	\$	38,205	\$	11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: November 30, 2013

Vintage Year	Nur	mber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
« Current Year	85,145	727	384	\$ 487.35	\$ 17,847.93	\$ 9.37	
2014	62,379	14,133	6,212				
2015	62,379						
2016	62,379						
2017	62,379				`		
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379					,	
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						•
2028	62,379						
2029	62,379				·		
2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of November 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
,	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	91,679	0	6,534	0	0		
Oollars · ·		\$ -	\$ 37.39		\$ -	\$ 487.35	
Allowance	\$ 0.01	S -	\$ 0.01	\$ -	\$ -	\$ . 0.01	
ALLOCATED A	LLOWANCES FRO	M EPA: COAL F	UEL				
Quantity	87,889	_	6,217		-	81,672	
Dollars	\$ 503.05	\$ -	\$ 35.58	\$ -	\$ -	\$ 467.47	
						L	
,							
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
			T			0:450	
Quantity	3,790	-	317			3;473	
Quantity Dollars	3,790 \$ 21.69	-	317	\$ -	\$ -	3;473 \$ 19.88	
Quantity		-	317				
Quantity Dollars	\$ 21.69	\$ -	317				
Quantity Dollars  ALLOWANCES		\$ -	317		\$ -		
Quantity Dollars  ALLOWANCES From Market:	\$ 21.69	ES:	317	\$ -	\$ -	\$ 19.88	
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 21.69  FROM PURCHAS	ES:	\$ 1.81	\$ -	\$ -	\$ 19.88	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS  - \$ -	ES:	\$ 1.81 	\$ -	\$ - - \$ -	\$ 19.88 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 21.69  FROM PURCHAS	ES:	\$ 1.81	\$ -	\$ -	\$ 19.88	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS  - \$ -	ES:	\$ 1.81 	\$ -	\$ - - \$ -	\$ 19.88 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS  - \$ -	ES: - S - S -	\$ 1.81 	\$ - \$ - \$ -	\$ - S - S - S - S	\$ 19.88 - \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	FROM PURCHAS	ES: - \$ - \$ -	\$ 1.81 \$ 1.81	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ 19.88 - \$ - \$ -	
Quantity Dollars	\$ 21.69  FROM PURCHAS	ES: - S - S -	\$ 1.81 	\$ - \$ - \$ -	\$ - S - S - S - S	\$ 19.88 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of November 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	N ALLOWANCES	IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	384	0	0	0	0	384	
Dollars	\$ 9.37	\$ -	\$ -	\$ -	\$ -	\$ 9.37	
\$/Allowance	\$ 0.02	\$ -	\$ -	\$ -	\$ -	\$ 0.02	
ALLOCATED AL	LOWANCES FRO	M EPA: COAL F	mer.				
Quantity	358	The Later College	-		_	358	
Dollars	\$ 8.73		\$ -	\$ -	\$ -	\$ 8.73	
3011113							
ALLOCATED AT Quantity Dollars	26 \$ 0.64	OM EPA: OTHER	FUELS -	-  \$ -	\$ -	\$ 0.64	
DOMES	0.00						
	FROM PURCHAS	ES:					
From Market: Quantity	. 0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance		<u> </u>	Ι Φ -	] 3	<u> </u>	1 9 -	
From KU:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	s -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
			•				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2013

	Beginnir	g	· Allocations/		Utilized	Utilized	Т			Ending	Allocation, Purchase, or
	Inventor		Purchases	((	Coal Fuel)	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
			•								
OTAL EMISSI	ON ALLOWA	NCES	IN INVENTORY	, ALL	CLASSIFIC	ATIONS					
Quantity		933	1,600		1,801		5	0		727	
Dollars	\$ 5	35.45	\$ 61,600.00	\$	44,214.77		5 \$	-	\$	17,847.93	
Allowance	\$	0.63	\$ 38.50	\$	24.55	\$ 24.5	5 \$	· / -	\$	24.55	
	LLOWANCE		M EPA: COAL F	UEL							
Quantity		525	_		1,728		_	-			Ending inventory includes purchases from the market
Dollars	\$ 3	29.41	\$ (9,760.41)	\$	42,422.61	\$ -	- \$		\$-	9,746.39	as shown below. Adjusted Ending Inventory Dollars
	1										to reflect non-recoverable allowance value
	·										
	LLOWANCE		M EPA: OTHER	FUEI							
Quantity		408	-		73		5 .	·			Adjusted Ending Inventory Dollars to reflect
Quantity			-						\$		Adjusted Ending Inventory Dollars to reflect non-recoverable allowance value.
Quantity		408	-		73				\$		
Quantity Dollars .	\$ 2	408 56.04	\$ 9,760.41		73				\$		
Quantity Dollars ALLOWANCES	\$ 2	408 56.04	\$ 9,760.41		73				\$		
Quantity Dollars  ALLOWANCES From Market:	\$ 2	408 56.04 CHAS	\$ 9,760.41 ES:	\$	73 1,792.16		75 \$	3 -	\$	8,101.54	non-recoverable allowance value.
Quantity Dollars  ALLOWANCES from Market: Quantity	S 2	408 56.04	\$ 9,760.41 ES:	\$	73	\$ 122.	0	0		8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars	FROM PUR	408 56.04 CHAS	\$ 9,760.41 ES: 1,600 \$ 61,600.00	\$	73 1,792.16	\$ 122.	0	0	\$	8,101.54	non-recoverable allowance value.
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S 2	408 56.04 CHAS	\$ 9,760.41 ES:	\$	73 1,792.16	\$ 122.	0	0		8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PUR	408 56.04 CHAS	\$ 9,760.41 ES: 1,600 \$ 61,600.00	\$	73 1,792.16	\$ 122.	0	0 B - B -	\$	8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	FROM PUR	408 56.04 CHAS	\$ 9,760.41 ES: 1,600 \$ 61,600.00 \$ 38.50	\$ \$	73 1,792.16	\$ 122.	0	0 -	\$ \$	8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PUR	408 56.04 CHAS	\$ 9,760.41 ES: 1,600 \$ 61,600.00 \$ 38.50	\$ \$	73 1,792.16	\$ 122. \$ - \$ -	0 5	0 -	\$	8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in
ALLOCATED A Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU: Quantity Dollars \$/Allowance	FROM PUR	408 56.04 CHAS	\$ 9,760.41 ES: 1,600 \$ 61,600.00 \$ 38.50	\$ \$	73 1,792.16	\$ 122.	0	0 5 7 8 -	\$ \$	8,101.54	non-recoverable allowance value.  Purchased 1,600 allowances from the market included in

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2013

Environmental Complia	nce Plan
O&M Expenses	Amount
11th Previous Month	\$ 86,463
10th Previous Month	60,292
9th Previous Month	74,899
8th Previous Month	68,131
7th Previous Month	91,137
6th Previous Month	101,873
5th Previous Month	118,408
4th Previous Month	144,888
3rd Previous Month	164,266
2nd Previous Month	136,638
Previous Month .	57,539
Current Month	94,439
Total 12 Month O&M	\$ 1,198,971

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$	1,198,971					
One Eighth (1/8) of 12 Month O&M Expenses	•	1/8					
Pollution Control Cash Working Capital Allowance	\$	149,871					

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: November 30, 2013

O&M Expense Account	Mill Creek	Trimble County	Total
2000 PL			
2009 Plan		· · · · · · · · · · · · · · · · · · ·	
502013 - ECR Landfill Operations			
512107 - ECR Landfill Maintenance		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	
Net 2009 Plan O&M Expenses		-	
		-	
2011 Plan		• •	
502056 - ECR Scrubber Operations	-		-
512055 - ECR Scrubber Maintenance			-
506159 - ECR Sorbent Injection Operation	-	11,321.14	11,321.14
506152 - ECR Sorbent Reactant - Reagent Only	-	67,380.07	67,380.07
512152 - ECR Sorbent Injection Maintenance	-	736.34	736.34
506156 - ECR Baghouse Operations	-	· -	-
512156 - ECR Baghouse Maintenance	-	-	-
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	-		
Total 2011 Plan O&M Expenses	-	79,437.55	79,437.55
Current Month O&M Expense for All Plans	1\$ -	\$ 79,437.55	\$ 79,437.55

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2013

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$
(2) Monthly Amount [(1) / 12]	- \$
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	. \$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: November 30, 2013

Third Party	O&M Expense Account	Plant	T	otal O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	15,631.44
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,516.71
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	706.44
,				
Total Monthly Benefic	ial Reuse Expense		\$	23,854.59
Adjustment for Benefic	ial Reuse in Base Rates (from ES Form 2.	61)	\$	(8,852.94)
Net Beneficial Reuse C			\$	15,001.65

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2013

On-Site CCP Disposal O&M Expense		Mill Creek	Trii	mble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	601,927.41	\$	(26,919.49)		575,007.92
(2) Monthly Amount [(1) / 12]	\$	50,160.62	\$	(2,243.29)	\$	47,917.33
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	706.44	\$	23,148.15	\$	23,854.59
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	50,867.06	\$	20,904.86	\$	71,771.92
Beneficial Reuse in Base Rates					<del></del> -	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243.22	\$	-	\$	681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$	56,770.27	\$	-	\$	56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(5,903.21)	\$	20,904.86	\$	15,001.65
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(6,609.65)		(2,243.29)	\$	(8,852.94)
If Line (8) Greater than Zero, No Adjustment		**************************************				
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	T \$	(6,609,65)	I \$	(2,243.29)	<u> </u>	(8,852.94)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)											
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)				
Dec-12	\$ 19,060,442	\$ 6,548,255	\$ 1,811,385	\$ 840,863	\$ 246,102	\$ 28,507,047	\$	28,260,945				
Jan-13	23,606,284	8,209,560	1,954,151	1,103,549	279,016	\$ 35,152,559	\$	34,873,543				
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260				
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894		\$	31,443,582				
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	4,,	\$	28,547,999				
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327				
Jun-13	23,832,943	. 7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044				
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865				
Aug-13	. 28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108		44,091,388				
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256		43,395,771				
· Oct-13	21,182,850	8,367,792	(62,505)		825,601		\$	30,579,450				
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313				
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  S Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = \$												
					onth =		\$_	81,679,750				
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Curre	nt Month			<u></u>	41.52%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues  (2) (3) (4) (5) (6) (7) (8) (9)											
(1)	(2)	(8)	. (9)										
Month ·	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM					
72 10	A 25 102 011	A 10.005.604	2 525 186	. 164.015	m 276.760	(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)					
Dec-12		\$ 12,895,624			\$ 376,768								
Jan-13		12,319,544	2,891,065	380,924	328,121								
Feb-13	28,753,724	13,895,352	3,402,809	359,707	501,282	\$ 46,912,874							
Mar-13	26,113,559	12,156,147	3,239,731	348,517	255,292	\$ 42,113,246							
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946			\$ 29,076,753					
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529			\$ 29,067,848					
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756								
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462								
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018		\$ 56,777,337						
Sep-13	32,150,317	17,745,080	652,703	. 490,355	1,257,234		\$ 51,038,455						
Oct-13		18,832,731	(10,888)		1,383,951		\$ 51,091,660						
Nov-13		15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516					
	urisdictional Revenues, E		Surcharge and Fuel,				47.750.000	\$ 29,771,836					
					onth =		\$ 81,679,750						
GROUP 2 Revenue	Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month 58.48%												

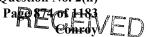
**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: November 30, 2013

					********
			Revenues per		evenues per
			Form 3.00	Inco	me Statement
	y Retail Revenues				
(1) I	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	68,214,775	\$	68,214,775
(2) I	Fuel Adjustment Clause	\$	307,930	\$	307,930
(3) I	DSM	\$	1,284,487	\$	1,284,487
(4) I	Environmental Surcharge			\$	1,989,805
(5)	CSR Credits			\$	(280,550)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	69,807,192		
Non -Jur	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	7,207,708	\$	7,207,708
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,207,708		
				-	
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	77,014,900		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		90.64%		
	·		•	1	
Reconcil	ling Revenues				
(10)	Brokered	\$		\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	
(12)	Unbilled			\$	2,262,619
(13)	Miscellaneous			\$	1,293,637
(14)	Total Company Revenues per Income Statement ≐			\$	82,280,411



JAN 17 2014

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

January 17, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2013. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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 LG&E'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,

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

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	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	1.0000000000000000000000000000000000000
TOTAL FEES							\$14,460.00
TOTAL PERSONAL	EXPENSES						\$2,471.82
OVERNIGHT MAIL				,			\$0.00
COPYING - Black/M	/hite						\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS							
Invoice Amount	•						\$16,931.82
1.							
TOTAL MONTHL	Y INVOICE AMOU	TV					\$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 Altn: Walter P. Drabinski

305-744-3440

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of December 2013

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,136,504
Group 1 ES Billing Factor ES Form 1.10, line 17	=	3.31%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	. =	\$ 1,580,455
Group 2 ES Billing Factor ES Form 1.10, line 17	=	5.28%

Effective Date for Billing: February billing cycle beginning January 30, 2014

Title: Director, Rates

Date Submitted: January 17, 2014

Submitted by

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

### For the Expense Month of December 2013

### Calculation of Total E(m)

E(m) = [(RB / 12) (R)]	ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	==	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	==	Beneficial Reuse Operating Expenses

	-			Environmental Compliance Plans
(1)	RB		. =	\$ 338,421,185
(2)	RB / 12		=	\$ 28,201,765
(3)	(ROR + (ROR - D	R) (TR / (1 - TR)))	=	10.26%
(4)	OE		=	\$ 235,405
(5)	BAS		=	\$ · <del>-</del>
(6)	BR		=	\$ 210
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 3,129,116

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	88.98%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 2,784,287
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243		\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ · -
(12)	Revenue Collected through Base Rates	=	\$ 67,328
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 2,716,959

Calculation of Group Environmental Surcharge Billing Factors

		GROU	P 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	=	41.83%		58.17%		
(15)	Group E(m) [(13) x (14)]	= \$	1,136,504	\$	1,580,455		
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	= \$	34,373,671	\$	29,923,250		
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=	3.31%		5.28%		

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2013

**Determination of Environmental Compliance Rate Base** 

	Enviromental	Compli	ance Plan
Eligible Pollution Control Plant	\$ 19,682,724		
Eligible Pollution CWIP Excluding AFUDC	321,053,589		
Subtotal		\$	340,736,313
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	31,874		
Cash Working Capital Allowance	153,750		
Subtotal			185,624
Deductions:	3843,000		
Accumulated Depreciation on Eligible Pollution Control Plant	718,112		
Pollution Control Deferred Income Taxes	1,782,640		
Subtotal			2,500,752
Environmental Compliance Rate Base		\$	338,421,185

**Determination of Pollution Control Operating Expenses** 

	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 117,278
Monthly Depreciation & Amortization Expense	38,205
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	11,661
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	60,303
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	7,958
Total Pollution Control Operations Expense	\$ 235,405

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	onmental
	Compli	iance Plan
Total Monthly Beneficial Reuse Expense	\$	10,460
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(10,250)
		*
Net Beneficial Reuse Operations Expense	\$	210

Proceeds From By-Product and Allowance Sales

		Total	A	mount in		Net
	Proceeds		Base Rates		Base Rates Proce	
	(1)		(2)		(1) - (2)	
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales		-		-		
Total Proceeds from Sales	\$	-	\$	-	\$	-

### LOUISVILLE GAS AND ELECTRIC 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		Plant In Accumulated		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 12/31/2013		Monthly ITC Amortization Credit		Monthly Depreciation Expense		Monthly Property Tax Expense	
								(2)-(3)+(4)								
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]																
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,594,347 - 4,636,272	\$ \$ \$	470,818 - 122,320	\$ \$ \$	5,007 10,082,398 (79,542)	\$	9,128,536 10,082,398 4,434,410	\$	475,476 - 872,595			\$ \$ \$	19,603 - 9,504	\$	1,169 1,023 561
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	14,230,619	\$	593,138	\$	10,007,863	\$	23,645,344	s s	1,348,071			\$	29,107	\$	2,754
Net Total - 2009 Plan:	\$	14,230,619	\$	593,138	\$	10,007,863	\$	23,645,344	\$	1,348,071			\$	29,107	\$	2,754
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	5,452,105	s s	124,974	\$	296,726,485 14,319,240		302,053,616 14,319,240		434,569			\$	9,098	s s	8,346 562
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	5,452,105	\$ \$	124,974	\$ \$	311,045,726 -	\$	316,372,857	\$	434,569			\$ \$	9,098	\$	8,908
Net Total - 2011 Plan:	\$	5,452,105	\$	124,974	\$	311,045,726	\$	316,372,857	\$	434,569	\$		\$	9,098	\$	8,908
Net Total - All Plans:	\$	19,682,724	\$	718,112	\$	321,053,589	\$	340,018,201	\$	1,782,640	\$	-	\$	38,205	\$	11,661

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: December 31, 2013

Vintage Year	Nun	nber of Allowand	ces	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	78,087	1,096	408	\$ 446.95	\$ 41,281.73	\$ 9.96	
2014	62,379	14,133	6,212			•	
2015	62,379						
2016	62,379	-					
2017	62,379						
2018	62,379						
2019	62,379				•		
2020	62,379						•
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379			·			
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033 - 2042	623,790				·		,

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

### For the Expense Month of December 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	85,145	0	7,058	0	. 0	78,087	
Dollars	\$ 487.35	\$ -	\$ 40.40	\$ -	\$ -	\$ 446.95	
\$/Allowance	\$ 0.01	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F					
Quantity	81,672		6,839		-	74,833	
Dollars	\$ 467.47	\$ -	\$ 39.15	\$ -	\$ -	\$ 428.32	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				. ~
Quantity	3,473	-	219	· .	_	3,254	
Dollars	\$ 19.88	s -	\$ 1.25		s -	\$ 18.63	
			1.20			10.00	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	-	-	-	_	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$	\$ -			\$ -	\$ -	
							·

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of December 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSION	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	384	24	0	0	0	408	
Dollars	\$ 9.37			\$ -	\$ -	\$ 9.96	
\$/Allowance	\$ 0.02	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02	
		•			-		
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	358	18	-	<u>-</u>		376	
Dollars	\$ 8.73	\$ 0.44	\$ -	\$ -	\$ -	\$ 9.17	
					l		
	LLOWANCES FRO	Y					
Quantity	26	6		· · · · · · · · · · · · · · · · · · ·	-	32	
Dollars	\$ 0.64	\$ 0.15	\$ -	\$ -	\$ -	\$ 0.79	
	]						
						1	
	FROM PURCHAS	ES:	T	_			· ·
From Market:							
Quantity	0	0	0	0		0	
Dollars	\$ -	\$ -	S -	\$ -	\$ -	-	
\$/Allowance			\$ -	-	\$ -	-	
D 1711		T	1			1	
From KU:			-				
Quantity	0			0			
Dollars	\$ - \$ -	\$ -	\$ -	\$ - \$ -	\$ -	\$ -	
\$/Allowance	12 -	\$ -	-		\$ -	-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of December 2013

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	727	2,050	1,681	0	0	1,096	
Dollars	\$ 17,847.93	\$ 86,750.00	\$ 63,316.20	\$ -	\$ -	\$ 41,281.73	
\$/Allowance	\$ 24.55	\$ 42.32	\$ 37.67	\$ -	\$ -	\$ 37.67	,
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	ÜEL				
Quantity	397	-	1,601	-	-	846	Ending inventory includes purchases from the market
Dollars	\$ 9,746.39	\$ (4,328.17)	\$ 60,302.94	-	\$ -	\$ 31,865.28	as shown below. Adjusted Ending Inventory Dollars
							to reflect non-recoverable allowance value
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
ALLOCATEDA	I I OWANGES ED	M EDA. OTHER	ETTEL C				
Quantity	330	-	80	<u> </u>	-	250	Adjusted Ending Inventory Dollars to reflect
		-		-  \$ -	\$ -	250 \$ 9,416.45	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance value.
Quantity	330	-	80	\$ -		250 \$ 9,416.45	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance value.
Quantity Dollars	\$ 8,101.54	\$ 4,328.17	80	\$ -		\$ 9,416.45	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance value.
Quantity Dollars ALLOWANCES	330	\$ 4,328.17	80	\$ -		\$ 9,416.45	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance value.
Quantity Dollars	\$ 8,101.54	\$ 4,328.17 ES:	\$ 3,013.26		\$ -	\$ 9,416.45	non-recoverable allowance value.
Quantity Dollars  ALLOWANCES From Market: Quantity	330 \$ 8,101.54 FROM PURCHAS	\$ 4,328.17 <b>ES:</b> 2,050	80 \$ 3,013.26	\$ -	\$ -	\$ 9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market;	330 \$ 8,101.54 FROM PURCHAS 0 \$ -	ES: 2,050 \$ 86,750.00	80 \$ 3,013.26	0	0	9,416.45	non-recoverable allowance value.
Quantity Dollars  ALLOWANCES From Market: Quantity	330 \$ 8,101.54 FROM PURCHAS	\$ 4,328.17 <b>ES:</b> 2,050	80 \$ 3,013.26	0	\$ -	9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	330 \$ 8,101.54 FROM PURCHAS 0 \$ -	ES: 2,050 \$ 86,750.00	80 \$ 3,013.26	0	0	9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	330 \$ 8,101.54 FROM PURCHAS 0 \$ -	ES: 2,050 \$ 86,750.00	80 \$ 3,013.26	0	0	9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	330 \$ 8,101.54 FROM PURCHAS 0 \$ -	ES: 2,050 \$ 86,750.00	80 \$ 3,013.26	0	0	9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	330 \$ 8,101.54 FROM PURCHAS  0 \$ -	ES:  2,050 \$ 86,750.00 \$ 42.32	80 \$ 3,013.26	0 \$ - \$ -	\$ - 0 \$ - \$ -	9,416.45	non-recoverable allowance value.  Purchased 2,050 allowances from the market included in

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2013

Environmental Complia	nnce Plan
O&M Expenses	Amount
11th Previous Month	\$ 60,292
10th Previous Month	74,899
9th Previous Month	68,131
8th Previous Month	91,137
7th Previous Month	101,873
6th Previous Month	118,408
5th Previous Month	144,888
4th Previous Month	164,266
3rd Previous Month	136,638
2nd Previous Month	57,539
Previous Month	94,439
Current Month	117,488
Total 12 Month O&M	\$ 1,229,996

Determination of Working Capital A	Allowance	
12 Months O&M Expenses	\$	1,229,996
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	153,750

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2013

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		_	-
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses		-	-
2011 Plan			•
502056 - ECR Scrubber Operations	-		_
512055 - ECR Scrubber Maintenance	-		_
506159 - ECR Sorbent Injection Operation	-	9,782.08	9,782.08
506152 - ECR Sorbent Reactant - Reagent Only	-	106,205.65	106,205.65
512152 - ECR Sorbent Injection Maintenance	-	1,290.76	1,290.76
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	-	Bereins has been	-
Total 2011 Plan O&M Expenses		117,278.49	117,278.49
Current Month O&M Expense for All Plans	-	\$ 117,278.49   \$	117,278.49

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2013

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$
(2) Monthly Amount [(1) / 12]	\$
2009 Plan Project	
(3) Monthly Expense	\$
Total Generating Station	
(4) Monthly Expense $[(2) + (3)]$	\$
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$
(6) Monthly Expense Amount [(5) / 12]	\$
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$
(8) Less 2009 Plan Project [(7) - (3)]	\$
If Line (8) Greater than Zero, No Adjustment	· · · · · · · · · · · · · · · · · · ·
If Line (8) Less than Zero, Adjustment for Base Rates	
djustment for Base Rate Amount (to ES Form 2.50)	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2013

Third Party	O&M Expense Account	Plant	. Т	otal O&M		
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	8,037.56		
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	2,421.96		
	·					
	· ·					
				•		
Total Monthly Beneficia	Total Monthly Beneficial Reuse Expense					
Adjustment for Benefici	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Reuse O	Net Beneficial Reuse O&M Expense					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2013

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	577,451.02	\$ (19,202.14)	\$	558,248.88
(2) Monthly Amount [(1) / 12]	\$	48,120.92	\$ (1,600.18	\$	46,520.74
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	2,421.96	\$ 8,037.56	\$	10,459.52
Total Beneficial Reuse - Generating Station			,	1	- 110.
(4) Monthly Expense [(2) + (3)]	\$	50,542.88	\$ 6,437.38	\$	56,980.26
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243.22	\$ -	\$	681,243.22
(6) Monthly Expense Amount [(5) / 12]	\$	56,770.27	\$ -	\$	56,770.27
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(6,227.39)	\$ 6,437.38	\$	209.99
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(8,649.35)	\$ (1,600.18	) \$	(10,249.53)
If Line (8) Greater than Zero, No Adjustment					1979
If Line (8) Less than Zero, Adjustment for Base Rates					
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	(8,649.35)	\$ (1,600.18	)  \$	(10,249.53)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)	F	Total Excluding Environmental Surcharge (7)-(6)			
Jan-13	\$ 23,606,284	\$ 8,209,560	\$ 1,954,151	\$ 1,103,549	\$ 279,016	\$ 35,152,559	\$	34,873,543			
Feb-13	22,715,271	7,479,756	1,933,379	1,005,854	377,609	\$ 33,511,870	\$	33,134,260			
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582			
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999			
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327			
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044			
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865			
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388			
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771			
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450			
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313			
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509			
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
Average Kentucky.	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Me	onth =		\$	82,170,407			
			hs ending with the Curre					41.83%			

		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	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM			
Jan-13	\$ 25,211,526	\$ 12,319,544	\$ 2,891,065	\$ 380,924	\$ 328,121	(2)+(3)+(4)+(5)+(6) \$ 41,131,180	(7)-(6) \$ 40,803,059	(2)+(5) \$ 25,592,450			
Feb-13		13,895,352	3,402,809	359,707	501,282						
Mar-13		12,156,147	3,239,731	348,517	255,292						
Apr-13		13,774,118	3,755,159	342,622	468,946						
May-13		13,043,590	3,785,600	337,962	621,529						
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756						
Jul-13		19,230,037	3,925,313	482,855	1,090,462						
Aug-13		19,533,849	3,074,730	475,357	1,206,018						
Sep-13		17,745,080	652,703	490,355	1,257,234	\$ 52,295,689					
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660				
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516			
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991			
	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 29,923,250			
			Surcharge for 12-months	s ending with Current Mo	onth =		\$ 47,796,736 \$ 82,170,407	5 27,723,230			
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =  GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month										

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: December 31, 2013

		Revenues per	Re	evenues per
		Form 3.00	1	me Statement
Kentuck	xy Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 75,205,281	\$	75,205,281
(2)	Fuel Adjustment Clause	\$ (682,123)	\$	(682,123)
(3)	DSM	\$ 1,633,505	\$	1,633,505
(4)	Environmental Surcharge		\$	2,304,914
(5)	CSR Credits		\$	(247,863)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 76,156,664		
Non -Ju	risdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 9,434,340	\$	9,434,340
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 9,434,340		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 85,591,004		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$	88.98%		
		-	]	
Reconci	iling Revenues			
(10)	Brokered	\$ -	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	
(12)	Unbilled		\$	6,280,215
(13)	Miscellaneous		\$	1,508,170
(14)	Total Company Revenues per Income Statement =		\$	95,436,440

# Attachment to Response to SV (Treffin for PAV) Page 891 of 1183



PUBLIC SERVICE COMMISSION

State Regulation and Rates

Louisville, Kentucky 40232

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Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

Louisville Gas and Electric Company



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

February 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of January 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 614,349
Group 1 ES Billing Factor ES Form 1.10, line 17	=	1.76%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 851,178
Group 2 ES Billing Factor ES Form 1.10, line 17	=	2.81%

Effective Date for Billing: March billing cycle beginning March 3, 2014

Submitted by:

Title: Director, Rates

Date Submitted: February 21, 2014

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

### For the Expense Month of January 2014

### Calculation of Total E(m)

E(m) = [(RB / 12)]	ROR+(RC	(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 ompliance Plans
(1)	RB		=	\$ 354,933,396
(2)	RB / 12		=	\$ 29,577,783
(3)	(ROR + (ROR - DI	R) (TR / (1 - TR)))	-	10.26%
(4)	OE		=	\$ 317,701
(5)	BAS		=	\$ -
(6)	BR		=	\$ 13,474
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 3,365,855

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	79.20%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 2,665,757
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,200,230
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 1,465,527

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			41.92%	58.08%
(15)	Group E(m) [(13) x (14)]	=	\$	614,349	\$ 851,178
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	34,900,727	\$ 30,302,474
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		1.76%	2.81%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental	Compliance Plan
Eligible Pollution Control Plant	\$ 19,676,999	A.,
Eligible Pollution CWIP Excluding AFUDC	337,605,090	
Subtotal		\$ 357,282,089
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	33,235	
Cash Working Capital Allowance	176,889	161.1
Subtotal		210,124
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	756,313	
Pollution Control Deferred Income Taxes	1,802,504	
Subtotal		2,558,817
Environmental Compliance Rate Base		\$ 354,933,396

**Determination of Pollution Control Operating Expenses** 

	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 231,933
Monthly Depreciation & Amortization Expense	38,201
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,503
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	5,064
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 317,701

**Determination of Beneficial Reuse Operating Expenses** 

	En	vironmental
·	Cor	npliance Plan
Total Monthly Beneficial Reuse Expense	\$	26,382
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(12,907)
Net Beneficial Reuse Operations Expense	\$	13,474

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	\$ -	\$ -	\$ -

### LOUISVILLE GAS AND ELECTRIC 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	Eligibl Accumula Deprecia	ated	CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Deferred Tax Balance as of 1/31/2014	Monthly ITC Amortization Credit	Monthly Monthly Amortization Depreciation		Depreciation		Monthly Property Tax Expense
						(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]													
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ 9,594,34° \$ - \$ 4,636,27	\$	490,420 - 131,825	\$ 10,286,290	\$	9,108,934 10,286,290 4,424,905	\$ -		\$ 19,600 \$ - \$ 9,500	\$	1,142 1,260 554		
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ 14,230,619 \$ -	s s	622,245	\$ 10,211,755 \$ -	\$	23,820,129	\$ 1,361,444 \$ -		\$ 29,10 \$ -	s s	2,957		
Net Total - 2009 Plan:	\$ 14,230,619	\$	622,245	\$ 10,211,755	\$	23,820,129	\$ 1,361,444		\$ 29,10	\$	2,957		
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,446,381	) s \$	′ 1	\$ 312,969,205 \$ 14,424,129		318,281,517 14,424,129			\$ 9,09	\$ \$	37,757 1,790		
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,446,381 \$ -	S S	134,068	\$ 327,393,335 \$ -	\$ \$	332,705,647	\$ 441,060 \$ -		\$ 9,09- \$ -	\$ \$	39,547		
Net Total - 2011 Plan:	\$ 5,446,38	\$	134,068	\$ 327,393,335	\$	332,705,647	\$ 441,060	\$ -	\$ 9,09	\$	39,547		
Net Total - All Plans:	\$ 19,676,99	9   \$	756,313	\$ 337,605,090	\$	356,525,775	\$ 1,802,504	\$ -	\$ 38,20	\$.	42,503		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2014

Vintage Year	Nu	mber of Allowan	ces	Tot	al Dollar Value Of Vintage		Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	132,760	13,253	6,528	\$ 422.43	\$ 35,925.33	\$ 9.82	
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						·
2028	62,379				-		
2029	62,379	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)					·
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034 - 2043	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of January 2014

`	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
						***************************************	
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	78,087	62,379	7,706	0	0		
Dollars	\$ 446.95		\$ 24.52	\$ -	\$ -	\$ 422.43	
\$/Allowance	\$ 0.01	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED AI		M EPA: COAL F					
Quantity	74,833	59,966	7,535		-		Includes 2014 vintage allowances of 59,966
Dollars	\$ 428,32	\$ 0.60	\$ 23.98	\$ -	\$ -	\$ 404.94	
ALLOCATED AI	LOWANCES FRO	OM EPA: OTHER	FUELS				
	LOWANCES FRO	OM EPA: OTHER 2,413	FUELS 171	-		5,496	Includes 2014 vintage allowances of 2,413
Quantity		- 2,413	171	- \$	- \$ -	5,496 \$ 17.49	Includes 2014 vintage allowances of 2,413
<b>ALLOCATED AI</b> Quantity Dollars	3,254	- 2,413	171	\$ -			Includes 2014 vintage allowances of 2,413
Quantity	3,254	- 2,413	171	\$ -			Includes 2014 vintage allowances of 2,413
Quantity Dollars	3,254	\$ (0.60)	171	\$ -			Includes 2014 vintage allowances of 2,413
Quantity Dollars	3,254 \$ 18.63	\$ (0.60)	171	\$ -			Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I From Market:	3,254 \$ 18.63	\$ (0.60)	171	\$ -			Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I From Market: Quantity	3,254 \$ 18.63 FROM PURCHAS	2,413 \$ (0.60)	\$ 0.54		\$ -	\$ 17.49	Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I	3,254 \$ 18.63 FROM PURCHASI	2,413 \$ (0.60)	171 \$ 0.54	-	\$ -	\$ 17.49	Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I From Market: Quantity Dollars	3,254 \$ 18.63 FROM PURCHASI - \$ -	2,413 \$ (0.60) ES:	171 \$ 0.54	- \$	\$ - \$ -	\$ 17.49	Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES If From Market: Quantity Dollars \$/Allowance	3,254 \$ 18.63 FROM PURCHASI - \$ -	2,413 \$ (0.60) ES:	171 \$ 0.54	- \$	\$ - \$ -	\$ 17.49	Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I From Market: Quantity Dollars \$/Allowance	3,254 \$ 18.63 FROM PURCHASI - \$ -	2,413 \$ (0.60) ES:	171 \$ 0.54	- \$	\$ - \$ -	\$ 17.49	Includes 2014 vintage allowances of 2,413
Quantity Dollars  ALLOWANCES I From Market: Quantity Dollars	3,254 \$ 18.63 FROM PURCHASI - \$ - \$ -	2,413 \$ (0.60) ES: - \$ - \$ -	171 \$ 0.54	- \$ - \$ -	\$ - \$ - \$ -	\$ 17.49 - \$ - \$ -	Includes 2014 vintage allowances of 2,413

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of January 2014

	Beginning	· Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	*						
TOTAL EMISSION	ON ALLOWANCE	S IN INVENTOR	Y, ALL CLASSIFIC	CATIONS			
Quantity	408					-,	
Dollars	\$ 9.96			\$ 0.06	\$ -	\$ 9.82	
\$/Allowance	\$ 0.02	-	\$ -	\$ -	- \$	\$ -	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL	FIJEL.				
Quantity	376			0	1 0	6,148	Includes 2014 vintage allowances of 5,826 and true-up requested
Dollars	\$ 9.17	\$ 0.16	\$ 0.08	\$	\$ -	\$ 9.25	by EPA of 54 allowances for emissions in 2013 Ozone Season.
	1						
	LLOWANCES FR				.,	•	
Quantity	32			38			Includes 2014 vintage allowances of 386 and true-up requested
Dollars	\$ 0.79	\$ (0.16	) \$ -	\$ 0.06	\$ -	\$ 0.57	by EPA of 38 allowances for emissions in 2013 Ozone Season.
		1					
ALLOWANCES	FROM PURCHAS	SES:					
From Market:							-
Quantity	0	(	0	0	0	0	
Dollars	\$ -	-	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	- \$	- \$	\$ -	\$ -	\$ -		
	· • · · · · · · · · · · · · · · · · · ·						
From KU:							;
Quantity	0	<del></del>					
Dollars	-	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	-	- \$	-	-			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

### For the Expense Month of January 2014

	Ве	ginning	Allocations/		Utilized		Utilized				Ending	Allocation, Purchase, or
	In	ventory	Purchases		(Coal Fuel)		(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALI	OWANCES	S IN INVENTOR	Y, AL	L CLASSIFIC	ATIO	NS					
Quantity		1,096	14,133		1,947		29		0		13,253	
Dollars	\$	41,281.73	\$ -	\$	5,277.79	\$	78.61	\$	_	\$	35,925.33	
\$/Allowance	\$	37.67	\$ -	\$	2.71	\$	2.71	\$	-	\$	2.71	
ALLOCATED A	ALLOWA	NCES FRO	M EPA: COAL	FUEL								
Quantity		846	13,279		1,868		-		-		12,257	Includes 2014 vintage allowances of 13,279
Dollars	\$	31,865.28	\$ 6,423.80	\$	5,063.64	\$	-	\$	-	\$	33,225.44	
ALLOCATED A	ALLOWA	NCES FRO	M EPA: OTHER	FUE:	LS							
Quantity		250	854	- 1	79		29		-		996	Includes 2014 vintage allowances of 854
Dollars	\$	9,416.45	\$ (6,423.80	) \$	214.15	\$	78.61	\$	<u>-                                    </u>	\$	2,699.89	•
ALLOWANCES	S FROM	PURCHASI	ES:									
rom Market:										<u> </u>		
Quantity		0	(		0		0		0		0	
Dollars	\$	-	\$ -	\$	_	\$	<u> </u>	\$	-	\$	· <del>-</del>	
\$/Allowance	\$	-	\$ -	\$		\$	_	\$	_	\$	-	
rom KU:												
Quantity		0	(		0		0		0			
Dollars	\$	_	\$ -	\$	-	\$	-	\$	-	\$		
\$/Allowance	\$	- '	\$ -	\$		\$	_	\$	_	\$	-	
MAllowance												
Manowance												

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2014

Environmental Compliance Plan						
O&M Expenses	Amount					
11th Previous Month	\$ 74,899					
10th Previous Month	68,131					
9th Previous Month	91,137					
8th Previous Month	101,873					
7th Previous Month	118,408					
6th Previous Month	144,888					
5th Previous Month	164,266					
4th Previous Month	136,638					
3rd Previous Month	57,539					
2nd Previous Month	94,439					
Previous Month	117,488					
Current Month	245,407					
Total 12 Month O&M	\$ 1,415,112					

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$	1,415,112				
One Eighth (1/8) of 12 Month O&M Expenses		1/8				
Pollution Control Cash Working Capital Allowance	\$	176,889				

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations	and the second	-	_
512107 - ECR Landfill Maintenance	그 김 경영관들이 다 성급했다	-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			_
Net 2009 Plan O&M Expenses		-	-
2011 Plan 502056 - ECR Scrubber Operations			-
512055 - ECR Scrubber Maintenance	-		
506159 - ECR Sorbent Injection Operation		16,800	16,800
506155 - ECR Sorbent Reactant - Reagent Only	-	214,650	214,650
512152 - ECR Sorbent Injection Maintenance	-	483	483
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	_		-
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	_		-
Total 2011 Plan O&M Expenses		231,933	231,933
C. M. J. O.M.F C. All Disse	1.6	Ι Φ 221 022 l	\$ 231,933
Current Month O&M Expense for All Plans		\$ 231,933	φ 251,935

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Eliza CODD' IE TEL OD OOODD DE O	
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	<u> </u>
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	-
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2014

Third Party	O&M Expense Account	Plant	То	tal O&M			
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	16,287			
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,669			
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	2,425			
Total Monthly Beneficia	al Reuse Expense		\$	26,382			
Adjustment for Benefici	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)						
Net Beneficial Reuse O	Net Beneficial Reuse O&M Expense						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek		Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	550,494	\$	(24,140)	\$	526,354
(2) Monthly Amount [(1) / 12]	\$	45,875	\$	(2,012)		43,863
2009 Plan Project 25			-			
(3) Monthly Amount (Expense/Revenue)	\$	2,425	\$	23,956	\$	26,382
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	48,300	. \$	21,945	\$	70,244
Beneficial Reuse in Base Rates				-		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	_	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(8,471)	\$	21,945	\$	13,474
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(10,896)	\$	(2,012)	\$	(12,907)
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates					•	
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	(10,896)	\$	(2,012)	\$	(12,907)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 22,715,271	\$ 7,479,756	\$ 1,933,379	\$ 1,005,854	\$ 377,609	\$ 33,511,870	\$	33,134,260		
Mar-13	21,559,743	6,990,269	1,953,209	940,361	166,894	\$ 31,610,476	\$	31,443,582		
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999		
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327		
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044		
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865		
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388		
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771		
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450		
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313		
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509		
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214		
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.									
			Surcharge for 12-months		onth =		\$	83,262,371		
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-month	ns ending with the Currer	t Month				41.92%		

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(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	\$ 28,753,724	\$ 13,895,352	\$ 3,402,809	\$ 359,707	\$ 501,282	\$ 46,912,874	\$ 46,411,592	\$ 29,113,431				
Mar-13		12,156,147	3,239,731	348,517	255,292	\$ 42,113,246	\$ 41,857,954	\$ 26,462,076				
Apr-13		13,774,118	3,755,159	342,622	468,946	\$ 47,074,976	\$ 46,606,031	\$ 29,076,753				
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848				
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756	\$ 51,169,990	\$ 50,387,234	\$ 31,933,593				
Jul-13	33,683,236	. 19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091				
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758				
Sep-13		17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455	\$ 32,640,672				
Oct-13		18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817				
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516				
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991				
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136				
Average Monthly Ju	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,											
for 12 Months Endi	for 12 Months Ending Current Expense Month.											
Average Kentucky .	Jurisdictional Revenues of	excluding Environmental	Surcharge for 12-months	ending with Current Mo	onth =		\$ 83,262,371	20.1				
		al Revenues for 12-month					58.08%	The second second				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: January 31, 2014

		Revenues per		evenues per
		Form 3.00	Inco	ome Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 86,284,459	\$	86,284,459
(2)	Fuel Adjustment Clause	\$ 46,165	\$	46,165
(3)	DSM	\$ 2,449,550	\$	2,449,550
(4)	Environmental Surcharge		\$	3,152,782
(5)	CSR Credits		\$	(173,467)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 88,780,174		
Non -Jı	risdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 23,322,764	\$	23,322,764
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 23,322,764		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 112,102,938		
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =	79.20%		
Reconc	iling Revenues			<u> </u>
(10)	Brokered	\$ 	\$	
(11)	InterSystem (Transmission Portion Booked in Account 447)	-	\$	· _
(12)	Unbilled		\$	(171,364)
(13)	Miscellaneous		\$	1,373,622
.(14)	Total Company Revenues per Income Statement =		\$	116,284,511





MAR 2 1 2014

PUBLIC SERVICE COMMISSION Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

March 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of February 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 662,091
Group 1 ES Billing Factor ES Form 1.10, line 17	=	1.87%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 909,824
Group 2 ES Billing Factor ES Form 1.10, line 17	=	2.99%

Effective Date for Billing: April billing cycle beginning April 1, 2014

Submitted by:

Title: Director, Rates

Date Submitted: March 21, 2014

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of February 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (F)]	ROR+(RC	(R - DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

		Environmental Compliance Plans			
(1) RB (2) RB / 12 (3) (ROR + (ROR - (4) OE	DR) (TR / (1 - TR)))	= \$ = \$ = = \$	381,567,587 31,797,299 10.26% 133,791		
(5) BAS (6) BR (7) E(m)	(2) x (3) + (4) - (5) + (6)	= \$ = \$ = \$	5,655 3,401,848		

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	84.16%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 2,862,995
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,291,080
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 1,571,915

Calculation of Group Environmental Surcharge Billing Factors

	ver zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina zamina z		GROUP 1 (Total Revenue)		GRO	OUP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.12%		57.88%
(15)	Group E(m) [(13) x (14)]	=	\$	662,091	\$	909,824
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,369,390	\$	30,431,564
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		1.87%		2.99%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of February 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental	Compliance Plan
Eligible Pollution Control Plant	\$ 19,676,999	
Eligible Pollution CWIP Excluding AFUDC	364,303,957	
Subtotal		\$ 383,980,956
Additions:	W.A.S.	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	28,659	46
Cash Working Capital Allowance	174,298	
Subtotal		202,957
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	794,510	
Pollution Control Deferred Income Taxes	1,821,816	
Subtotal		2,616,326
Environmental Compliance Rate Base		\$ 381,567,587

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 48,515
Monthly Depreciation & Amortization Expense	38,197
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,503
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	4,576
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 133,791

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	nmental
	Compli	ance Plan
Total Monthly Beneficial Reuse Expense	\$	20,297
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(14,642)
Net Beneficial Reuse Operations Expense	\$	5,655

Proceeds From By-Product and Allowance Sales

1 Tocecus From Dy-1 Toduct and Anowance Sales	)					
	T	otal	Amo	ount in		Net
	Pro	Proceeds		e Rates	Pr	oceeds
	(	(1)		(2)	(1	(2)
Allowance Sales	\$	-	\$		\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	-	\$	-	\$	-

#### LOUISVILLE GAS AND ELECTRIC 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	Deferred Tax Balance as of 2/28/2014	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]								
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,594,347	\$ 510,02	3 \$ 5,007	\$ 9,089,331	\$ 498,612	1	\$ 19,603	\$ 1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	s -	\$ -	\$ 10,553,792	\$ 10,553,792		1	\$ -	\$ 1,260
Project 25 - Beneficial Reuse	\$ 4,636,272	\$ 141,32	9 \$ (79,542	\$ 4,415,401	\$ 876,242		\$ 9,504	\$ 554.
Subtotal	\$ 14,230,619	\$ 651,35	2 \$ 10,479,257	\$ 24,058,524	\$ 1,374,854		\$ 29,107	\$ 2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ -	s -	\$ -	s -	s -		\$ -	s -
Net Total - 2009 Plan:	\$ 14,230,619	\$ 651,35	2 \$ 10,479,257	\$ 24,058,524	\$ 1,374,854		\$ 29,107	\$ 2,957
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,446,380 \$ -	\$ 143,15 \$ -	8 \$ 338,889,188 \$ 14,935,512				\$ 9,090 \$ -	\$ 37,757 \$ 1,790
Subtotal	\$ 5,446,380	\$ 143,15	8 \$ 353,824,700	\$ 359,127,922	\$ 446,962		\$ 9,090	\$ 39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ -	\$ -	\$	\$ -	\$ -		s -	\$ -
Net Total - 2011 Plan:	\$ 5,446,380	\$ 143,15	8 \$ 353,824,700	\$ 359,127,922	\$ 446,962	s -	\$ 9,090	\$ 39,547
Net Total - All Plans:	\$ 19,676,999	\$ 794,51	0 \$ 364,303,957	\$ 383,186,446	\$ 1,821,816	- \$	\$ 38,197	\$ 42,503

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Inventory of Emission Allowances** 

For the Month Ended: February 28, 2014

Vintage Year	Nur	nber of Allowan	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	125,626	11,487	6,528	\$ 399.73	\$ 31,138.17	\$ 9.82	
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						,
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034 - 2043	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years			
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS						
Quantity	132,760	0	7,134	. 0	0	125,626				
Dollars	\$ 422.43	\$ -	\$ 22.70	\$ -	\$ -	\$ 399.73				
Mallowance S/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL										
Quantity	127,264	-	7,046		_	120,218				
Dollars	\$ 404.94	\$ -	\$ 22.42	\$ -	\$ -	\$ 382.52				
ALLOCATED A Quantity Dollars	5,496 \$ 17,49	_	### ### ### ### ### ### ### ### #### ####	- \$ -		5,408 \$ 17.21				
Joliars	5 17.49	<u> </u>	\$ 0.28	-	-	3 17.21				
ALLOWANCES	FROM PURCHAS	ES:			T					
Quantity	-	_	_	•	·	_				
Dollars	- s	\$ -	\$ -	\$ -	\$ -	<u>-</u>				
S/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
,, LIO HAILO	1 4		1 4	1.*	1 -					
rom KU	T									
Quantity		-		-	-	-				
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
S/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
		<del></del>								

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of February 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,528	0	0	0	0		
Dollars	\$ 9.82		-	\$	\$ -	\$ 9.82	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -		
ALLOCATED A	LLOWANCES FR	OM EPA: COAL I	TUEL				
Quantity	6,148			0	0	6,033	Adjustment to reclassify 115 allowances to CTs
Dollars	\$ 9.25	\$ (0.17	) \$ -	\$ -	\$ -	\$ 9.08	
							·
	LLOWANCES FR			7			
Quantity	380				<u>-</u>		Adjustment to reclassify 115 allowances to CTs
Dollars	\$ 0.57	\$ 0.17	\$ -	-	\$ -	\$ 0.74	
	_		.]	<u> </u>	<u> </u>		
ALLOWANCES	FROM PURCHAS	ES:					
From Market:							
Quantity	0	0	0	0	0	0	
Dollars	\$ -	\$ -	\$ -			\$ -	
\$/Allowance	\$ -	\$ -	- \$	\$ -			
From KU:							
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.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of February 2014

		eginning nventory	Allocations/ Purchases		Utilized (Coal Fuel)		Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
	L	nventory	Purchases		(Coarruer)		(Other rueis)	 3010	1	niventory 1	Sale Date & Village Teals
TOTAL EMISS	SION AL	LOWANCE	S IN INVENTO	RY.	ALL CLASSIFIC	ATI	ONS				
Quantity		13,253		0	1,750	Ι	16	0	П	11,487	
Dollars	\$	35,925.33		.	\$ 4,743.79	\$	43.37	\$ -	\$	31,138.17	
\$/Allowance	\$	2.71			\$ 2.71	\$	2.71	\$ -	\$	2.71	
						•					
ALLOCATED.	ALLOW	ANCES FRO	OM EPA: COAI	L FU	JEL						
Quantity		12,257	-	. [	1,688		-	-		10,569	
Dollars	\$	33,225.44	\$ -		\$ 4,575.72	\$		\$ 	\$	28,649.72	
ALLOCATED	ALLOW		OM EPA: OTH	ER I							
Quantity		996	_		62		16	-		918	
Dollars	\$	2,699.89	\$ -		\$ 168.07	\$	43.37	\$ -	\$	2,488.45	
ALLOWANCE	S FROM	PURCHAS	ES:								
From Market:							,		<u></u>		
Quantity		0		0	0		0	0		0	
Dollars	\$	-	\$ -	.	\$ -	\$	-	\$ _	\$		
\$/Allowance	\$	_	\$ -		\$ -	\$		\$ -	\$	-	
****											
From KU:									_		
From KU: Quantity		0		0	0		0	0			
	\$	0	\$ -		\$	\$	0	\$ 0 -	\$		
From KU: Quantity	\$ \$		\$ - \$ -			\$		\$ 	\$		
From KU: Quantity Dollars		-			\$		-	 -	_		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: February 28, 2014

Environmental Compliance Plan							
O&M Expenses	Amount						
11th Previous Month	\$ 68,131						
10th Previous Month	91,137						
9th Previous Month	101,873						
8th Previous Month	118,408						
7th Previous Month	144,888						
6th Previous Month	164,266						
5th Previous Month	136,638						
4th Previous Month	57,539						
3rd Previous Month	94,439						
2nd Previous Month	117,488						
Previous Month	245,407						
Current Month	54,170						
Total 12 Month O&M	\$ 1,394,383						

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,394,383						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	174,298						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 28, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			•
502013 - ECR Landfill Operations		-	_
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	_
Net 2009 Plan O&M Expenses		=	-
2011 Plan			
502056 - ECR Scrubber Operations			
512055 - ECR Scrubber Maintenance	-		-
506159 - ECR Sorbent Injection Operation	-	9,494	9,494
506152 - ECR Sorbent Reactant - Reagent Only	-	38,373	38,373
512152 - ECR Sorbent Injection Maintenance	-	648	648
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-
506151 - ECR Activated Carbon	-	•	-
Adjustment for Base Rates Baseline Amounts	-		
Total 2011 Plan O&M Expenses	-	48,515	48,515
Current Month O&M Expense for All Plans		\$ 48,515	\$ 48,515

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2014

On-Site CCP Disposal O&M Expense	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	2.40-11
(3) Monthly Expense	\$ -
Total Generating Station	
(4)   Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 28, 2014

Third Party	O&M Expense Account	Plant	То	otal O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	12,403
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	2,693
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	5,200
Total Monthly Benefici	al Reuse Expense		\$	20,297
	ial Reuse in Base Rates (from ES Form 2.	61)	\$	(14,642)
Net Beneficial Reuse O	&M Expense		\$	5,655

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trim	ible County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	529,188	\$	(23,649)	\$ 505,539
(2) Monthly Amount [(1) / 12]	\$	44,099	\$	(1,971)	 42,128
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	5,200	\$	15,097	\$ 20,297
Total Beneficial Reuse - Generating Station					
(4) Monthly Expense [(2) + (3)]	\$	49,299	\$	13,126	\$ 62,425
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(7,471)	\$	13,126	\$ 5,655
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(12,671)	\$	(1,971)	\$ (14,642)
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)	\$	(12,671)	\$	(1,971)	\$ (14,642)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: February 28, 2014

(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	\$ 21,559,743	\$ 6,990,269	\$ 1,953,209	\$ 940,361	\$ 166,894	\$ 31,610,476	\$	31,443,582	
Apr-13	19,655,937	6,164,484	1,738,892	988,686	310,820	\$ 28,858,818	\$	28,547,999	
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327	
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044	
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865	
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388	
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771	
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450	
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313	
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ -34,737,274	\$	33,735,509	
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214	
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221	
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								
				ending with Current Mo	onth =		\$	83,969,196	
GROUP 1 Revenue	s as a Percentage of Tota	d Revenues for 12-month	ns ending with the Currer	nt Month			<u> </u>	42.12%	

			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	\$ 26,113,559	\$ 12,156,147	\$ 3,239,731	\$ 348,517	\$ 255,292	\$ 42,113,246	\$ 41,857,954		
Apr-13	28,734,131	13,774,118	3,755,159	342,622	468,946	\$ 47,074,976		\$ 29,076,753	
May-13	28,729,885	13,043,590	3,785,600	337,962	621,529	\$ 46,518,566	\$ 45,897,037	\$ 29,067,848	
Jun-13	31,497,839	14,557,008	3,896,633	435,755	782,756	\$ 51,169,990	\$ 50,387,234	\$ 31,933,593	
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091	
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758	
Sep-13	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455	\$ 32,640,672	
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817	
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516	
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991	
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136	
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522	
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.							\$ 30,431,564	
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month								

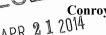
**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: February 28, 2014

		T	Ď	l p	
		İ	Revenues per	1	evenues per
			Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	84,267,571	\$	84,267,571
(2)	Fuel Adjustment Clause	\$	1,500,270	\$	1,500,270
(3)	DSM	\$	2,259,910	\$	2,259,910
(4)	Environmental Surcharge .			\$	2,929,250
(5)	CSR Credits			\$	(360,238)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	88,027,751		
Non -Jı	urisdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	16,564,198	\$	16,564,198
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	16,564,198		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	104,591,949		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		84.16%		
Reconc	iling Revenues				
(10)	Brokered	\$	_	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	(9,613,766)
(13)	Miscellaneous			\$	1,541,731
(14)	Total Company Revenues per Income Statement =			\$	99,088,925





Louisville Gas and Electric Company

State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

April 21, 2014

a PPL company

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of March 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of March 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15		\$ 829,964
Group 1 ES Billing Factor ES Form 1.10, line 17		2.33%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 1,137,242
Group 2 ES Billing Factor ES Form 1.10, line 17		3.73%

Effective Date for Billing: May billing cycle beginning May 1, 2014

Title: Director, Rates

Date Submitted: April 21, 2014

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of March 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (R	OR+(RC	(1-TR)(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		***	\$	407,949,606			
(2)	RB / 12		=	\$	33,995,801			
(3)	(ROR + (ROR - D	OR) (TR / (1 - TR)))	=		10.26%			
(4)	OE		=	\$	235,735			
(5)	BAS		=	\$	427			
(6)	BR		=	\$	2,542			
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$	3,725,820			

Calculation of Adjusted Net Jurisdictional E(m)

	(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	82.67%
	(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 3,080,135
	(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
	(11)	Prior Period Adjustment (if necessary)		\$ · <u>-</u>
	(12)	Revenue Collected through Base Rates	=	\$ 1,112,929
	(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	==	\$ 1,967,206
- 1				

Calculation of Group Environmental Surcharge Billing Factors

oup Environmental Burenarge Diffing Pactors						
		GROUP 1 (Total Revenue)		GROUP 2 (Net Revenue		
Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.19%		57.81%	
Group E(m) [(13) x (14)]	-	\$	829,964	\$	1,137,242	
Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,568,509	\$	30,511,479	
Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		2,33%		3.73%	
	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00  Group E(m) [(13) x (14)]  Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00 =  Group E(m) [(13) x (14)] =  Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00 =	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3,00 =  Group E(m) [(13) x (14)] = \$  Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00 = \$	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00 = 42.19%  Group E(m) [(13) x (14)] = \$ 829,964  Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00 = \$ 35,568,509	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00 = 42.19%  Group E(m) [(13) x (14)] = \$829,964 \$  Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00 = \$35,568,509 \$	

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental (	Enviromental Compliance Plan				
Eligible Pollution Control Plant	\$ 19,676,999					
Eligible Pollution CWIP Excluding AFUDC	390,737,836					
Subtotal		\$	410,414,835			
Additions:						
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	23,784					
Cash Working Capital Allowance	184,822					
Subtotal			208,606			
Deductions:						
Accumulated Depreciation on Eligible Pollution Control Plant	832,707					
Pollution Control Deferred Income Taxes	1,841,128					
Subtotal			2,673,835			
Environmental Compliance Rate Base		\$	407,949,606			

**Determination of Pollution Control Operating Expenses** 

		ronmental liance Plan
Monthly Operations & Maintenance Expense	S Comp	149,778
Monthly Depreciation & Amortization Expense		38,197
less investment tax credit amortization		-
Monthly Taxes Other Than Income Taxes		42,503
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33		5,257
Monthly Surcharge Consulting Fees		-
Construction Monitoring Consultant Fee		-
Total Pollution Control Operations Expense	\$	235,735

**Determination of Beneficial Reuse Operating Expenses** 

	1	vironmental pliance Plan
Total Monthly Beneficial Reuse Expense	\$	21,467
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(18,925)
Net Beneficial Reuse Operations Expense	\$	2,542

**Proceeds From By-Product and Allowance Sales** 

	Total	į .	Amount in		Net
	Proceeds (1)		Base Rates (2)		Proceeds (1) - (2)
Allowance Sales	\$ 427	\$	-	\$.	427
Scrubber By-Products Sales	-		-		-
Total Proceeds from Sales	\$ 427	\$	-	\$	427

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: March 31, 2014

(1)		(2)		(3)		(4)		(5)		(6)	I Probremini	(7)	(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 3/31/2014	ITC A	Monthly Amortization Credit	Monthly Depreciation Expense	Pı	Monthly operty Tax Expense
								(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]	-														
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,594,347	\$	529,625	\$	5,007	\$	9,069,729	\$	510,199			\$ 19,603	S	1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	\$	-	\$	10,725,312		10,725,312		-			\$ -	5	1,260
Project 25 - Beneficial Reuse	\$	4,636,272	S	150,833	\$	(79,542)	S	4,405,897	\$	878,065			\$ 9,504	\$:	554
Subtotal	\$	14,230,619	\$	680,459	s	10,650,777	\$	24,200,937	\$	1,388,264	Al	-aw/1	\$ 29,107	\$	2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$		5	-	s	-	\$	-	s	-			\$ 	\$	-
Net Total - 2009 Plan;	\$	14,230,619	\$	680,459	\$	10,650,777	\$	24,200,937	\$	1,388,264			\$ 29,107	\$.	2,957
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	5,446,380	\$ \$	152,249	\$	360,652,698 19,434,361		365,946,830 19,434,361		452,864			\$ 9;09 <b>0</b> -	\$ \$	37,757 1,790
Subtotal	\$	5,446,380	\$	152,249	\$	380,087,059	\$	385,381,190	\$	452,864			\$ 9,090	\$	39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	-	s	-	\$	-	\$	-	s	•			\$ -	s	-
Net Total - 2011 Plan:	\$	5,446,380	\$	152,249	\$	380,087,059	\$	385,381,190	\$	452,864	\$	-	\$ 9,090	S	39,547
	4_		<u> </u>		Ļ				Ļ						
Net Total - All Plans:	\$	19,676,999	[\$	832,707	\$	390,737,836	18	409,582,127	]\$	1,841,128	\$		\$ 38,197	\$	42,503

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: March 31, 2014

Vintage Year	Nun	nber of Allowand	ces	Т	otal Dol	llar Value Of Vintage	Year	Г	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	
		Annual	Ozone Season		İ	Annual	İ	Ozone Season	
Current Year	117,455	9,450	6,528	\$ 373.7	3 \$	25,616.42	\$	9.82	
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								
2019	62,379						1		
2020	62,379								
2021	62,379								
2022	62,379								
2023	62,379								
2024	62,379								
2025	62,379								
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031	62,379								
2032	62,379								
2033	62,379								
2034 - 2043	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of March 2014

	Beginning	Allocations/	Utilized	Utilized	1	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
						,	
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS		•	
Quantity	125,626	0	8,171	0	0	117,455	
Dollars	\$ 399.73	\$ -	\$ 26.00	\$ -	\$ -	\$ 373.73	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	\$ -	
	LLOWANCES FRO	OM EPA: COAL F					T
Quantity	120,218		8,076		-		Includes EPA actual usage true-up of 759 allowances.
Dollars	\$ 382.52		\$ 25.70	-	\$ -	\$ 356.82	
<u> </u>			1		<u>, i                                   </u>	1	
ALLOCATED A	LLOWANCES FRO	M EDA. OTHED	DUELO			9	
Quantity	5,408	INIEPA: OTHER	95	I	1 -	5,313	
Dollars	\$ 17.21	\$ -	\$ 0.30	\$ -	\$ -	\$ 16.91	- 490/g
Dollars	J 17.21	-	Φ 0.50		-	10.91	
	<u> </u>	1	L.,	<u></u>			
ALLOWANCES	FROM PURCHAS	ES:					
From Market:		I					
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	-		-		-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	- \$	\$ -	\$ -	-	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of March 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
							•
TOTAL EMISSI	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	6,528		T	0	0	6,528	
Dollars	\$ 9.82	\$ -	\$ -	s -	\$ -	\$ 9.82	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	LLOWANCES FR		UEL				
Quantity	6,033		-	0	0	6,033	
Dollars	\$ 9.08	\$ -	\$ -	\$ -	\$ -	\$ 9.08	
			TIDIO				
	LLOWANCES FR		FUELS				
Quantity	495	-		•	-	495	
		-		\$ -	\$ -	\$ 0.74	
Quantity	495	-		<u> </u>	4		-
Quantity Dollars	\$ 0.74	\$ -		<u> </u>	4		
Quantity Dollars ALLOWANCES	495	\$ -		<u> </u>	4		
Quantity Dollars  ALLOWANCES From Market:	\$ 0.74 \$ 0.74 S FROM PURCHAS	\$ - \$ -	\$ -	\$ -	\$ -	\$ 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity	495 \$ 0.74 S FROM PURCHAS	SES:	\$ -	\$ -	\$ -	\$ 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 0.74 S FROM PURCHAS 0 \$ -	- \$ - SES: 0 \$ -	- \$ - 0 \$ -	0 \$	0 \$ -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity	495 \$ 0.74 S FROM PURCHAS	SES:	\$ -	\$ -	\$ -	\$ 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 0.74 S FROM PURCHAS 0 \$ -	- \$ - SES: 0 \$ -	- \$ - 0 \$ -	0 \$	0 \$ -	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	495 \$ 0.74 S FROM PURCHAS 0 \$ - \$ -	SES:  0 \$ -	0 \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ 0.74 0 \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	\$ 0.74 S FROM PURCHAS  0 \$ - \$ -	SES:  0 5 - 5 - 0 0 0	0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ 0.74 0 \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	495 \$ 0.74 S FROM PURCHAS 0 \$ - \$ -	SES:  0 \$ -	0 \$ -	\$ - 0 \$ - \$ -	\$ - 0 \$ - \$ -	\$ 0.74 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2014

TOTAL EMISSION ALLOWANCES IN IN	0 - \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1,995   5,407.90   \$ 2.71   \$ 1,930   5,231.70   \$	42 113.85	Sold  0 \$ - \$ - \$ -	\$ 25,61	2.71
Quantity         11,487           Dollars         \$ 31,138.17           \$/Allowance         \$ 2.71           \$/Allowance         \$ 2.71           ALLOCATED ALLOWANCES FROM EPARTICIPATION         \$ 28,649.72           Dollars         \$ 28,649.72           \$         \$ 24,649.72           \$         \$ 24,88.45           \$         \$ 2,488.45           \$         \$ 2,488.45           \$         \$ 2,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45           \$         \$ 3,488.45	0 - \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1,995   5,407.90   \$ 2.71   \$ 1,930   5,231.70   \$	42 113.85 2.71	\$ - \$ -	\$ 25,61	6.42 2.71 6.639 Includes EPA actual usage true-up of 226 allowances.
Quantity         11,487           Dollars         \$ 31,138.17           \$ ALLOCATED ALLOWANCES FROM EPARALITY         10,569           Dollars         \$ 28,649.72           \$ Dollars         \$ 28,649.72           \$ ALLOCATED ALLOWANCES FROM EPARALITY         918           Dollars         \$ 2,488.45           \$ Dollars         \$ 2,488.45           \$ Company         \$ 2,488.45           \$ Company         \$ 0           Dollars         \$ -           \$ S/Allowance         \$ -           \$ From KU:         0           Quantity         0	0 - \$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	1,995   5,407.90   \$ 2.71   \$ 1,930   5,231.70   \$	42 113.85 2.71	\$ - \$ -	\$ 25,61	6.42 2.71 6.639 Includes EPA actual usage true-up of 226 allowances.
Solution	- \$ 5 - \$ EPA: COAL FUEL - \$ 5 EPA: OTHER FUELS -	5,407.90 \$ 2.71 \$  1,930   5,231.70 \$	113.85 2.71	\$ - \$ -	\$ 25,61	6.42 2.71 6.639 Includes EPA actual usage true-up of 226 allowances.
SALLOCATED ALLOWANCES FROM EPA	- \$ EPA: COAL FUEL - \$ - \$ EPA: OTHER FUELS -	2.71 \$ 1,930 5,231.70 \$	2.71	\$ -	8	2.71
ALLOCATED ALLOWANCES FROM EPA Quantity 10,569 Dollars \$ 28,649.72 \$  ALLOCATED ALLOWANCES FROM EPA Quantity 918 Dollars \$ 2,488.45 \$  ALLOWANCES FROM PURCHASES: From Market: Quantity 0 Dollars \$ - \$ \$\footnote{S}\text{Allowance} \$ - \$ \$\footnote{S}\text{Allowance} \$ - \$ \$\footnote{S}\text{Allowance} \$ - \$ \$\footnote{S}\text{Allowance} \$ 0	EPA: COAL FUEL  - \$ :  EPA: OTHER FUELS -	1,930   5,231.70   \$		_	8	.639 Includes EPA actual usage true-up of 226 allowances.
Quantity         10,569           Dollars         \$ 28,649.72           \$ 28,649.72         \$    ALLOCATED ALLOWANCES FROM EPA  Quantity  918  Dollars  \$ 2,488.45  \$  ALLOWANCES FROM PURCHASES:  From Market: Quantity  0  Dollars  \$ - \$  \$/Allowance  \$ - \$  From KU: Quantity  0  Quantity  0	- S :	5,231.70 \$				
Quantity         10,569           Dollars         \$ 28,649.72           \$ 28,649.72         \$    ALLOCATED ALLOWANCES FROM EPA  Quantity  918  Dollars  \$ 2,488.45  \$  ALLOWANCES FROM PURCHASES:  From Market: Quantity  0  Dollars  \$ - \$  \$/Allowance  \$ - \$  From KU: Quantity  0  Quantity  0	- S :	5,231.70 \$				
\$ 28,649.72   \$	EPA: OTHER FUELS	5,231.70 \$				
ALLOCATED ALLOWANCES FROM EPA Quantity 918 Dollars \$ 2,488.45 \$  ALLOWANCES FROM PURCHASES: From Market: Quantity 0 Dollars \$ - \$ S/Allowance \$ - \$	EPA: OTHER FUELS		-	\$ -	\$ 23,41	8.02
Quantity         918           Dollars         \$ 2,488.45           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$           From KU:         Quantity         0	- 1				1	
Quantity         918           Dollars         \$ 2,488.45           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$           From KU:         Quantity         0	- 1					
Quantity         918           Dollars         \$ 2,488.45           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$	- 1		*			
S						
ALLOWANCES FROM PURCHASES: From Market: Quantity 0 Dollars \$ - \$ \$/Allowance \$ - \$	۱ و	65	42	-		811 Includes EPA actual usage true-up of 20 allowances.
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  From KU:  Quantity  0	- 1	176.20 \$	113.85	\$ -	\$ 2,19	98.40
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  From KU:  Quantity  0					<u> </u>	
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  From KU:  Quantity  0						
Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$   From KU:  Quantity  0	·					
Dollars						
\$/Allowance \$ - \$  From KU:  Quantity 0	0	0	0	(		0
From KU: Quantity 0		- \$		\$ -	\$	
Quantity 0	- \$	- \$			\$	- 1
Quantity 0				1	7	
Q-0.0.1.1.1)						
	0	0	0		0	
Dollars \$ - \$		- \$		\$ -	\$	-
\$/Allowance	-   \$	- \$	-	\$ -	\$	-

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: March 31, 2014

Environmental Compli	ance Plan			
O&M Expenses		Amount		
11th Previous Month	\$	91,137		
10th Previous Month		101,873		
9th Previous Month		118,408		
8th Previous Month		144,888		
7th Previous Month		164,266		
6th Previous Month		136,638		
5th Previous Month		57,539		
4th Previous Month		94,439		
3rd Previous Month		117,488		
2nd Previous Month		245,407		
Previous Month		54,170		
Current Month		152,321		
Total 12 Month O&M	\$	1,478,573		

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$	1,478,573				
One Eighth (1/8) of 12 Month O&M Expenses		1/8				
Pollution Control Cash Working Capital Allowance	\$	184,822				

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan		-	
502013 - ECR Landfill Operations		-	-
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	,	-	-
Net 2009 Plan O&M Expenses		•	-
2011 Plan			
502056 - ECR Scrubber Operations	-	W	='
512055 - ECR Scrubber Maintenance			
506159 - ECR Sorbent Injection Operation	-	5,820	5,820
506152 - ECR Sorbent Reactant - Reagent Only	-	137,579	137,579
512152 - ECR Sorbent Injection Maintenance	-	6,380	6,380
506156 - ECR Baghouse Operations	-	-	_
512156 - ECR Baghouse Maintenance	-	-	-
506151 - ECR Activated Carbon	-	-	_
Adjustment for Base Rates Baseline Amounts	-	Tex 1.5	-
Total 2011 Plan O&M Expenses		149,778	149,778
Current Month O&M Expense for All Plans	-	\$ 149,778	\$ 149,778

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	1\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2014

Third Party	O&M Expense Account	Plant	То	tal O&M
McBride	501253 - ECR Fly Ash Disposal	Trimble County	\$	8,853
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	2,755
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	9,860
Total Monthly Beneficial Reuse Expense			\$	21,467
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)			\$	(18,925)
Net Beneficial Reuse O&M Expense				2,542

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County		Total	
		er de la la la la la la la la la la la la la				
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	478,037	\$ (23,892)	<del></del>	454,145	
(2) Monthly Amount [(1) / 12]	\$	39,836	\$ (1,991)	\$	37,845	
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	9,860	\$ 11,607	\$	21,467	
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense $[(2) + (3)]$	\$	49,696	\$ 9,616	\$	59,313	
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$ -	\$	681,243	
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$ -	\$	56,770	
(7) Total Generating Station Less Base Rates [(4) - (6)]		(7,074)	\$ 9,616	\$	2,542	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(16,934)	\$ (1,991)	\$	(18,925	
If Line (8) Greater than Zero, No Adjustment				1	8.80 July July 1	
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$	(16,934)	\$ (1,991	)  \$	(18,925	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)								
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	F	Total Excluding invironmental Surcharge (7)-(6)	
Apr-13	\$ 19,655,937	\$ 6,164,484	\$ 1,738,892	\$ 988,686	\$ 310,820	\$ 28,858,818	\$	28,547,999	
May-13	18,232,765	5,560,173	1,685,838	891,551	358,562	\$ 26,728,889	\$	26,370,327	
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044	
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865	
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388	
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771	
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450	
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313	
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509	
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214	
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221	
Mar-14	22,710,262	8,953,358	- 737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010	
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								35,568,509	
Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =								84,306,259 42.19%	
GROUP 1 Revenue	GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month								

	GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(8)	(9)								
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM			
						(2)+(3)+(4)+(5)+(6)	(7)-(6)	(2)+(5)			
Apr-13				\$ 342,622	\$ 468,946						
May-13	28,729,885	13,043,590	3,785,600	337,962		\$ 46,518,566		\$ 29,067,848			
Jun-13	31,497,839	14,557,008	3,896,633	435,755		\$ 51,169,990					
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	<u> </u>				
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758			
Sep-13	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455	\$ 32,640,672			
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817			
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516			
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991			
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136			
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522			
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049			
Average Monthly Ju	urisdictional Revenues, E	excluding Environmental	Surcharge and Fuel,								
for 12 Months Endi	ng Current Expense Mor	nth.					\$ 48,737,750	\$ 30,511,479			
Average Kentucky.	Jurisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current Mo	onth =		\$ 84,306,259				
GROUP 2 Revenue	es as a Percentage of Tota	al Revenues for 12-montl	ns ending with the Curre	nt Month			57.81%				

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: March 31, 2014

			Revenues per	Re	evenues per
	L.		Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	73,484,218	\$	73,484,218
(2)	Fuel Adjustment Clause	\$	1,888,722	\$	1,888,722
(3)	DSM	\$	1,973,349	\$	1,973,349
(4)	Environmental Surcharge			\$	1,432,323
(5)	CSR Credits			\$	-
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	77,346,289		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	16,215,284	\$	16,215,284
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	16,215,284		
	·				
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	93,561,573		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		82.67%		
				1	
Reconc	iling Revenues				
(10)	Brokered	\$	-	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled	T		\$	(666,057)
(13)	Miscellaneous	T		\$	1,479,748
(14)	Total Company Revenues per Income Statement =			\$	95,807,587



MAY 23 2014

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

May 23, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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 LG&E'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,

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

2011-56

INVOICE PERIOD:

01/01/2014-01/31/2014

PROJECT NAME:

Kentucky LGE Environmental Compliance

NTAGE PROJECT #:

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 Chuck Buechel Mike Boismenu	01/01/2014-01/31/2014 01/01/2014-01/31/2014 01/01/2014-01/31/2014	19 7	\$260 \$240 \$240	\$2,860.00 \$4,560.00 \$1,680.00	\$100.00	\$2,860.00 \$4,660.00 \$1,680.00	
SUB TOTALS		37		\$9,100.00	\$100.00	\$9,200.00	<b>建筑等</b>
TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/W COPYING - Color							\$9,100.00 \$100.00 \$0.00 \$0.00 \$0.00
MISCELLANEOUS Invoice Amount				. "			\$9,200.00
TOTAL MONTHL	Y INVOICE AMOU	NT		.,	-		\$9,200.00

The information provided in the above invoice is believed to be accurate. Should any questions or discrepancies crise, please call or write to the following billing address.

PLEASE REMIT TO:

Vantage Energy Consulting, LLC.

PO Box 420395

Summerland Key, FL 33042

Atin: Walter P. Drabinski

305-744-3440

RECEIVED

FEB 0 6 2014

MINAMOIAL ANA

**ES FORM 1.00** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of April 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,063,741
Group 1 ES Billing Factor ES Form 1.10, line 17	=	3.00%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	= .	\$ 1,453,394
Group 2 ES Billing Factor ES Form 1.10, line 17	=	4.79%

Effective Date for Billing: June billing cycle beginning June 2, 2014

----

Title: Director, Rates

Date Submitted: May 23, 2014

Submitted by

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of April 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RO	(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		=	\$	440,821,795		
(2)	RB / 12		=	\$	36,735,150		
(3)	(ROR + (ROR -	DR) (TR / (1 - TR)))	=		10.26%		
(4)	OE		=	\$	330,260		
(5)	BAS		=	\$	-		
(6)	BR		=	\$	3,484		
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	. =	\$	4,102,771		

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	85.89%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 3,523,870
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ · -
(12)	Revenue Collected through Base Rates	=	\$ 1,006,735
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 2,517,135

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	=		42.26%			57.74%
(15)	Group E(m) [(13) x (14)]	=	\$	1,063,741	\$		1,453,394
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,468,762	\$	ę	30,352,287
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		3.00%			4.79%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan			
Eligible Pollution Control Plant	\$ 19,316,024			
Eligible Pollution CWIP Excluding AFUDC	423,669,921			
Subtotal		\$	442,985,945	
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	98,700			
Cash Working Capital Allowance	202,387			
Subtotal			301,087	
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	668,352			
Pollution Control Deferred Income Taxes	1,796,885			
Subtotal			2,465,237	
Environmental Compliance Rate Base		\$	440,821,795	

**Determination of Pollution Control Operating Expenses** 

Determination of Founding Control Operating Expenses	
	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 228,172
Monthly Depreciation & Amortization Expense	37,445
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	17,836
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	4,324
Total Pollution Control Operations Expense	\$ 330,260

**Determination of Beneficial Reuse Operating Expenses** 

	En	vironmental
	Con	npliance Plan
Total Monthly Beneficial Reuse Expense	\$	25,551
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(22,066)
Net Beneficial Reuse Operations Expense	\$	3,484

Proceeds From By-Product and Allowance Sales

	l l	otal ceeds	1	unt in Rates	Р	Net roceeds
		(1)	(	(2)	(	1) - (2)
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	-	\$	-	\$	-

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2014

(1)	T	(2)	 (3)	_	(4)	-	(5)		(6)	(7)	Т	(8)		(9)
(1) Description		Eligible Plant In Service	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service	Т	Deferred Tax Balance as of 4/30/2014	Monthly ITC Amortization Credit	Г	Monthly pepreciation Expense	Pr	Monthly operty Tax Expense
		37344					(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]												-		Auroritania and Maria
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,599,354 - 4,636,272	\$ 549,250 - 160,338	\$	- 11,316,299 (79,542)		9,050,104 11,316,299 4,396,392	\$	521,796 - 879,889		\$ \$ \$	19,625 - 9,504	\$ \$ \$	1,142 1,260 554
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s s	14,235,626 (365,982)	709,588 (202,574)		11,236,757	\$	24,762,795 (163,408)		1,401,685 (63,566)		s s	29,129 (775)		2,957 (20)
Net Total - 2009 Plan:	\$	13,869,644	\$ 507,014	\$	11,236,757	\$	24,599,387	S	1,338,119		\$	28,354	\$	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	5,446,380	\$ 161,339	\$	390,628,918 21,804,246	\$	395,913,960 21,804,246	s	458,766		s s	9,090 -	s s	37,757 1,790
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	5,446,380	\$ 161,339	\$	412,433,164	\$	417,718,205	s s	458,766		s	9,090	\$	39,547
Net Total - 2011 Plan:	\$	5,446,380	\$ 161,339	\$	412,433,164	\$	417,718,205	\$	458,766	-	\$	9,090	\$	39,547
				L										
Net Total - All Plans:	\$	19,316,024	\$ 668,352	\$	423,669,921	\$	442,317,593	\$	1,796,885	S -	\$	37,445	\$	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: April 30, 2014

Vintage Year	Nur	mber of Allowan	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	111,273	9,733	6,528	\$ 354.06	\$ 106,779.44	\$ 9.82	
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379				:		
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						<u></u>
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034 - 2043	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of April 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or			
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years			
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS						
Quantity	117,455	0	6,182	0	0	111,273				
Dollars	\$ 373.73	\$ -	\$ 19.67	\$ -	\$ -	\$ 354.06				
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
ALLOCATED AL	ALLOCATED ALLOWANCES FROM EPA: COAL FUEL									
Quantity	112,142	-	6,132		-	106,010				
Dollars	\$ 356.82	\$ -	\$ 19.51	\$ -	\$ -	\$ 337.31	·			
Quantity	5,313	OM EPA: OTHER	50	- 9	-	5,263				
Dollars	\$ 16.91	\$ -	\$ 0.16	\$ -	\$ -	\$ 16.75				
			l			<u> </u>				
ALLOWANCES	FROM PURCHAS	ES:								
From Market:										
Quantity	-	-	-	-	-	_				
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$/Allowance	\$ -	\$ -	\$	\$ -	\$ -	\$ -				
From KU										
Quantity	-	-	-		-	-				
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
\$/Allowance	\$ -	\$ -	\$ -	\$ -		\$ -				

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of April 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	6,528	. 0	0	0	0	6,528	
Dollars	\$ 9.82	\$ -	\$ -	\$ -	\$ -	\$ 9.82	
Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	6,033	_	-	0	0	6,033	
Dollars	\$ 9.08	\$ -	\$ -	-	\$ -	\$ 9.08	
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
	LLOWANCES FRO	OM EPA: OTHER	FUELS -	_	-	495	
Quantity		-		- S -	\$ -	\$ 495 \$ 0.74	
ALLOCATED A Quantity Dollars	495	-	-				
Quantity	495	-	-				
Quantity Dollars	495	\$ -	-	s -			·
Quantity Dollars	\$ 0.74	\$ -	-	s -		\$ 0.74	
Quantity Dollars  ALLOWANCES From Market:	\$ 0.74	- S	\$ -	s -			
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 0.74	- S	\$ -	s -	\$ -	. 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	#95   \$ 0.74   FROM PURCHAS   0	ES:	\$ -	0	\$ -	. 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	#95 \$ 0.74  FROM PURCHAS  0 \$ -	ES: 0	0 \$ -	0 \$ -	0 \$	. 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	#95 \$ 0.74  FROM PURCHAS  0 \$ -	ES: 0	0 \$ -	0 \$ -	0 \$	. 0.74	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	#95 \$ 0.74  FROM PURCHAS  0 \$ -	ES: 0 S - S -	0 \$ -	0 \$ -	0 \$	. 0.74	
Quantity Dollars ALLOWANCES	#95 \$ 0.74  FROM PURCHAS  0 \$ - \$ -	ES: 0 s - s -	0 \$ -	0 \$ -	0 \$ -	\$ 0.74 	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2014

1	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
COTAL EMISSION	N ATLOWANCES	S IN INVENTORY.	ALL CLASSIFIC	ATIONS			
Quantity Quantity	9,450	2,000	1.668	49	0	9,733	
Dollars	\$ 25,616,42		\$ 18,299.40			\$ 106,779.44	
	\$ 25,010.42					\$ 10.97	
Attowance	2.71	30.00	10.77	10.57			
ALLOCATED ALI	LOWANCES FRO	M EPA: COAL F	UEL			4	
Quantity	8,639	(50)	1,624	_	-	8,965	Ending inventory includes purchases from the market as shown below.
Dollars	\$ 23,418.02	\$ (7,247.52)	\$ 17,816.68	\$ -	\$ -	\$ 98,353.82	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance
							value. Transferred (50) allowances from Coal to CTs.
ALLOCATED ALI	LOWANCES FRO	OM EPA: OTHER	FUELS 44	49	· I -	768	Adjusted Ending Inventory Dollars to reflect non-recoverable allowance
					S -	\$ 8,425,62	value. Transferred 50 allowances from Coal to CTs.
Dollars	\$ 2,198.40	\$ 7,247.52	\$ 402.72	\$ 337.36	-	\$ 0,423.02	value. Transferred 50 anowances from Coar to C13.
ALLOWANCES F	ROM PURCHAS	ES:					
rom Market:		2.000	0	0	0		Purchased 2,000 allowances from the market included in
Quantity	0	2,000		· · · · · · · · · · · · · · · · · · ·		\$ -	Ending Inventory - Coal Fuel shown above
Dollars	\$ -	\$ 100,000.00		\$ - \$ -	-		Ending inventory - Coar Fuer shown above
\$/Allowance	\$ -	\$ 50.00	-	-	-	-	
From KU:		1	I				
Quantity Quantity	0	0	0	0	0		
Dollars	\$ -	\$ -	\$ -	s -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Ψ =	Ψ -	Ψ	ΙΨ	1 4	1 4	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2014

Environmental Comp	liance Plan
O&M Expenses	Amount
11th Previous Month	\$ 101,873
10th Previous Month	118,408
9th Previous Month	144,888
8th Previous Month	164,266
7th Previous Month	136,638
6th Previous Month	57,539
5th Previous Month	94,439
4th Previous Month	117,488
3rd Previous Month	245,407
2nd Previous Month	54,170
Previous Month	152,321
Current Month	231,657
Total 12 Month O&M	\$ 1,619,092

Determination of Working Capital	Allowance	
12 Months O&M Expenses	\$	1,619,092
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	202,387

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations	State and an action of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the stat		-
512107 - ECR Landfill Maintenance		-	_
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		:	-
Net 2009 Plan O&M Expenses		-	-
2011 Plan 502056 - ECR Scrubber Operations	· -		
512055 - ECR Scrubber Maintenance		-	
506159 - ECR Sorbent Injection Operation	_	6,985	6,985
506152 - ECR Sorbent Reactant - Reagent Only	-	219,031	219,031
512152 - ECR Sorbent Injection Maintenance	-	2,156	2,156
506156 - ECR Baghouse Operations	-	-	_
	-	-	-
512156 - ECK Bagnouse Maintenance			
512156 - ECR Baghouse Maintenance 506151 - ECR Activated Carbon	-	-	-
	-	-	
506151 - ECR Activated Carbon	-	228,172	228,172

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2014

p		
On-Site CCP Disposal O&M Expense	Trimble Cour	nty
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)]	\$	<b>-</b> .
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-
(6) Monthly Expense Amount [(5) / 12]	\$ .	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	_
(8) Less 2009 Plan Project [(7) - (3)]	\$	-
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2014

Third Party	O&M Expense Account	Plant	То	otal O&M
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	15,034
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	10,516
			<del></del>	
Total Monthly Benefici	al Reuse Expense		\$	25,551
	ial Reuse in Base Rates (from ES Form 2.	61) ,	\$	(22,066)
Net Beneficial Reuse O	&M Expense		\$	3,484

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	440,800	\$ (24,353)		416,447
(2) Monthly Amount [(1) / 12]	. \$	36,733	\$ (2,029	\$	34,704
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	10,516	\$ 15,034	\$	25,551
Total Beneficial Reuse - Generating Station					
(4) Monthly Expense [(2) + (3)]	\$	47,250	\$ 13,005	\$	60,255
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$ -	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$ -	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(9,521)	\$ 13,005	\$	3,484
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(20,037)	\$ (2,029	) \$	(22,066)
If Line (8) Greater than Zero, No Adjustment		100		+	
If Line (8) Less than Zero, Adjustment for Base Rates					-
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	(20,037)	(2,029	) \$	(22,066)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)											
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)				
May-13	\$ 18,232,765	\$ 5,560,173	\$ 1,685,838	\$ 891,551	\$ 358,562	\$ 26,728,889	\$	26,370,327				
Jun-13	23,832,943	7,934,922	2,116,221	1,275,957	541,359	\$ 35,701,403	\$	35,160,044				
Jul-13	28,199,351	12,013,577	2,508,157	1,571,779	898,877	\$ 45,191,741	\$	44,292,865				
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388				
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771				
. Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450				
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313				
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509				
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214				
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221				
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010				
Apr-14	Apr-14 18,712,899 6,890,013 386,598 1,361,517 511,398 \$ 27,862,424											
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
		excluding Environmental			onth =		\$	83,935,054				
GROUP 1 Revenue	es as a Percentage of Tot	al Revenues for 12-mont	hs ending with the Currer	nt Month				42.26%				

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(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	\$ 28,729,885	\$ 13,043,590	\$ 3,785,600	\$ 337,962	\$ 621,529			\$ 29,067,848				
Jun-13		14,557,008	3,896,633	435,755	782,756	\$ 51,169,990	\$ 50,387,234	\$ 31,933,593				
Jul-13		19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091				
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758				
Sep-13	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455	\$ 32,640,672				
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817				
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516				
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991				
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136				
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347		\$ 49,269,531	\$ 30,662,522				
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550			\$ 27,421,049				
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450				
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.											
	Jurisdictional Revenues es as a Percentage of Tot		\$ 83,935,054 57.74%									

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: April 30, 2014

		]	Revenues per		evenues per
			Form 3.00	Inco	me Statement
Kentucky Retail Revenues					
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)		\$	67,523,187	\$	67,523,187
(2) Fuel Adjustment Clause		\$ .	1,297,936	\$	1,297,936
(3) DSM		\$	1,878,450	\$	1,878,450
(4) Environmental Surcharge				\$	1,324,943
(5) CSR Credits				\$	(297,733)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge F	Purposes =	\$	70,699,573		
Non -Jurisdictional Revenues					
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)		\$	11,611,201	\$	11,611,201
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge I	Purposes =	\$	11,611,201		
(9) Total Company Revenues for Environmental Surcharge I	Purposes =	\$	82,310,774		
Jurisdictional Allocation Ratio for Current Month [(5	5) / (8)] =		85.89%		
Reconciling Revenues	•				
(10) Brokered		\$	-	\$	_
(11) InterSystem (Transmission Portion Booked in Account 447)				\$	-
(12) Unbilled				\$	3,634,087
(13) Miscellaneous				\$	1,343,451
(14) Total Company Revenues per Income Statement =				\$	88,315,522



## PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

June 20, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of May 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,130,030
Group 1 ES Billing Factor ES Form 1.10, line 17	=	3.17%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 1,547,767
Group 2 ES Billing Factor ES Form 1.10, line 17	=	5.06%

Effective Date for Billing: July billing cycle beginning July 1, 2014

Submitted by:

Title: Director, Rates

Date Submitted: June 20, 2014

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

### For the Expense Month of May 2014

#### Calculation of Total E(m)

E(m) = [(1	RB / 12) (ROR+(F	RC	(R - DR)(TR/(1-TR))] + OE - BAS + BR, where
RE	=	=	Environmental Compliance Rate Base
RC	)R =	=	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
BA	.S =	=	Total Proceeds from By-Product and Allowance Sales
BR	===	=	Beneficial Reuse Operating Expenses

			•	Environmental				
					Compliance Plans			
(1)	RB		=	\$	471,739,235			
(2)	RB / 12		=	\$	39,311,603			
(3)	(ROR + (ROR - I	DR) (TR / (1 - TR)))	=		10,26%			
(4)	OE		=	\$	272,617			
(5)	BAS		_	\$	-			
<b>(</b> 6)	BR		==	\$	(18,568)			
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	galant partny	\$	4,287,420			

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	88.21%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 3,781,933
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	==	\$ 1,104,136
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 2,677,797

Calculation of Group Environmental Surcharge Billing Factors

			GROUP 1 (Total Revenue)		GRO	OUP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42,20%		57.80%
(15)	Group E(m) [(13) x (14)] .	=	\$	1,130,030	\$	1,547,767
(16)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	==	\$	35,617,877	\$	30,565,049
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		3.17%		. 5.06%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of May 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan			
Eligible Pollution Control Plant	\$ 19,316,024			
Eligible Pollution CWIP Excluding AFUDC	454,657,141			
Subtotal	3.3	\$	473,973,165	
Additions:				
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	79,758			
Cash Working Capital Allowance	209,047			
Subtotal			288,805	
Deductions:				
Accumulated Depreciation on Eligible Pollution Control Plant	706,594			
Pollution Control Deferred Income Taxes	1,816,141			
Subtotal			2,522,735	
Environmental Compliance Rate Base		\$	471,739,235	

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 173,725
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	18,942
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 272,617

**Determination of Beneficial Reuse Operating Expenses** 

	Env	rironmental
	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	10,215
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(28,783)
·		
Net Beneficial Reuse Operations Expense	\$	(18,568)

Proceeds From By-Product and Allowance Sales

	Total	A	Amount in	Net
	Proceeds	F	Base Rates	Proceeds
	(1)		(2)	(1) - (2)
Allowance Sales	\$ -	\$	-	\$ -
Scrubber By-Products Sales	-		-	-
Total Proceeds from Sales	\$ -	\$	-	\$ -

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2014

(1)	1	(2)		(3)	Γ	(4)		(5)	_	(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2014	Monthly ITC Amortization Credit	D	Monthly Depreciation Expense	P	Monthly Toperty Tax Expense
					L			(2)-(3)+(4)							
. 2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]								-				4		490.00	
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,599,354 - 4,636,272	\$	568,897 - 169,842	\$	11,308,257 (79,542)		9,030,457 11,308,257 4,386,888	\$	533,386 - 881,712		\$ \$ \$	19,647 - 9,504	\$	1,142 1,260 554
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ \$	14,235,626 (365,982)		73 <b>8</b> ,739 (202,574)		11,228,715	\$ \$	24,725,602 (163,408)		1,415,098 (63,566)		\$	29,151 (775)		2,957 (20)
Net Total - 2009 Plan;	\$	13,869,644	\$	536,165	\$	11,228,715	\$	24,562,195	\$	1,351,532	· · · · · · · · · · · · · · · · · · ·	\$	28,376	\$	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	5,446,380	s s	170,429	\$ \$	419,290,334 24,138,091		424,566,285 24,138,091		464,609 -		\$ \$	9,090	s s	37,757 1,790
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	5,446,380	\$	170,429	\$	443,428,426 -	\$	448,704,377	\$	464,609		\$	9,090	\$ \$	39,547 -
Net Total - 2011 Plan:	\$	5,446,380	\$	170,429	\$	443,428,426	s	448,704,377	\$_	464,609	\$ -	\$	9,090	\$	39,547
Net Total - All Plans:	\$	19,316,024	\$	706,594	\$	454,657,141	\$	473,266,571	\$	1,816,141	\$ -	\$	37,467	\$	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2014

Vintage Year	Nun	nber of Allowand	ces	To	tal Doll	lar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	103,931	7,939	4,734	\$ 330.70	\$	87,097.71	\$ 7.12	-
2015	62,379							
2016	62,379						·	
2017	62,379							
2018	62,379							
2019	62,379	-						
2020	62,379							•
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379				ļ			·
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033	62,379							
2034 - 2043	623,790							

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of May 2014

	Beginning	Allocat	tions/	Utilized	Utilized	T			Ending	Allocation, Purchase, or
	Inventory	Purch		(Coal Fuel)	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANG	ES IN INVE	NTORY, A	LL CLASSIFIC	ATIONS					
Quantity	111,27	3	0	7,342	0		0		103,931	
Dollars	\$ 354.0	6 \$	- \$	23.36	\$ -	\$	-	\$	330.70	
\$/Allowance	\$ -	\$	- \$	-	\$ -	\$	-	\$	-	
				•						,
ALLOCATED A	ALLOWANCES F		COAL FUE							
Quantity	106,01		-	7,288			-	<u> </u>	98,722	
Dollars	\$ 337.3	1 \$	- \$	23.19	-	\$	-	\$	314.12	
								<u> </u>		
	ALLOWANCES F		OTHER FU				44.			
Quantity	5,26			54	_		-	ļ	5,209	
Dollars	\$ 16.7	5 \$	- \$	0.17	\$ -	\$	_	\$	16.58	
								<u> </u>		
	S FROM PURCHA	ASES:						·		
rom Market:								ļ		
Quantity	-		-	-	-		-		-	
Dollars	\$ -	\$	- \$	-	\$ -	\$		\$		
\$/Allowance	- \$	\$	- \$		-	\$		\$		
		·								
From KU										
Quantity				-	-			<u> </u>	-	
Dollars	\$ -	\$	- \$	•	\$ -	\$		\$	-	
\$/Allowance	\$ -	\$	- \$		\$ -	\$	-	\$	-	,

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	ON ALLOWANCE	······					
Quantity	6,528	0	1,782	12		4,734	
Dollars	\$ 9.82	\$ -	\$ 2.68	\$ 0.02	\$ -	\$ 7.12	
S/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL F	UEL				
Quantity	6,033	-	1,724	0	0	4,309	
Dollars	\$ 9.08	\$ -	\$ 2.59	\$ -	\$ -	\$ 6.49	
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER	FUELS				
Quantity	495	-	58	12	_	425	
Dollars	\$ 0.74	\$ -	\$ 0.09	\$ 0.02	\$ -	\$ 0.63	
ATTOWANCES	FROM PURCHAS						
ALLO WANCES	THOM I CHCIEN	ES:					
rom Market:	TROM T CREMA	ES:	T:		1		
	0		0	0	0	0	
rom Market:			0	0	0 \$	0 \$ -	
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Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Mouth of May 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCI	ES IN INVENTOR	Y, ALL CLASSII	FICATIONS			
Quantity	9,733				2	0 7,93	39
Dollars	\$ 106,779.44	· S -	\$ 19,550.	08 \$ 131.6	5 \$ -	\$ 87,097.7	71
\$/Allowance	\$ 10.97		\$ 10.	97 \$ 10.9		\$ 10.9	97
ALLOCATED A	ALLOWANCES FR						
Quantity	8,965		1.7			. , ,	
Dollars	\$ 98,353.82	. \$ -	\$ 18,916.	43 \$ -	\$ -	\$ 79,437.3	39
ALLOCATED A	ALLOWANCES FR 768			58 1	2 -	69	98
Dollars	\$ 8,425.62	- \$	\$ 633.	65 \$ 131.6	55 \$	\$ 7,660.3	32
	FROM PURCHA	SES:					
rom Market:							
Quantity	0				0		0
Dollars	\$ -	\$ -	\$ -	Ψ	- \$		
Allowance	- \$	\$ -	\$	- \$	\$ -	\$ -	
rom KU:							
Quantity	(	0	)	0	0	0	
Dollars	\$ -	\$ -	\$ -		\$ -		
\$/Allowance	\$ -	\$ -	- \$	\$ -	\$ -	· \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2014

Environmental Compliance Plan	
O&M Expenses	Amount
11th Previous Month	\$ 118,408
10th Previous Month	144,888
9th Previous Month	164,266
8th Previous Month	136,638
7th Previous Month	57,539
6th Previous Month	94,439
5th Previous Month	117,488
4th Previous Month	245,407
3rd Previous Month	54,170
2nd Previous Month	152,321
Previous Month	231,657
Current Month	155,157
Total 12 Month O&M	\$ 1,672,376

Determination of Working Capital Allowance										
12 Months O&M Expenses	\$	1,672,376								
One Eighth (1/8) of 12 Month O&M Expenses		1/8								
Pollution Control Cash Working Capital Allowance	\$	209,047								

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations			-
512107 - ECR Landfill Maintenance			_
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		_	
Net 2009 Plan O&M Expenses			-
2011 Plan 502056 - ECR Scrubber Operations	-		
512055 - ECR Scrubber Maintenance			_
506159 - ECR Sorbent Injection Operation		11,827	11,827
506152 - ECR Sorbent Reactant - Reagent Only	·	157,617	157,617
512152 - ECR Sorbent Injection Maintenance	-	4,280	4,280
506156 - ECR Baghouse Operations		-	-
512156 - ECR Baghouse Maintenance	-	-	
	-	-	-
506151 - ECR Activated Carbon		DBM 64 (2000) PAN SECTION SECTION SECTION	_
506151 - ECR Activated Carbon Adjustment for Base Rates Baseline Amounts			
	-	173,725	173,725

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	-   \$
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense $[(2) + (3)]$	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	-   \$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2014

Third	O&M Expense Account	Plant	To	tal O&M
Party	O&M Expense Account	Plant	10	ital O&IVI
	44040			
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	6,242
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	3,973
			<u> </u>	
Total Monthly Benefici	al Reuse Expense		\$	10,215
Adjustment for Benefic	ial Reuse in Base Rates (from ES Form 2.	61)	\$	(28,783)
Net Beneficial Reuse O			\$	(18,568)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Pro	iect)			
(1) 12 Months Ending with Expense Month	\$	355,690	\$ (19,840)	\$ 335,850
(2) Monthly Amount [(1) / 12]	. \$	29,641	\$ (1,653)	27,987
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$	3,973	\$ 6,242	\$ 10,215
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$	33,614	\$ 4,589	\$ 38,202
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last T	est Year) \$	681,243	-	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$ -	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(23,157)	\$ 4,589	\$ (18,568)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(27,129)	\$ (1,653)	\$ (28,783)
If Line (8) Greater than Zero, No Adjustment				
If Line (8) Less than Zero, Adjustment for Base Rates	3			
Adjustment for Base Rate Amount (to ES Form 2.60)	\$	(27,129)	\$ (1,653)	\$ (28,783)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2014

				GROUP 1 (Total	Reve	nues) - Kentucky Ju	ırisd	ictional Revenues				
(1)	(2)	(3)	Π	(4)		(5)		(6)		(7)		(8)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component		Fuel Clause Revenues		DSM Revenues		Environmental Surcharge Revenues	(2	Total 2)+(3)+(4)+(5)+(6)		Total Excluding Environmental Surcharge (7)-(6)
Jun-13	\$ 23,832,943	\$ 7,934,922	\$	2,116,221	\$	1,275,957	\$	541,359	\$	35,701,403	\$	35,160,044
Jul-13	28,199,351	12,013,577		2,508,157		1,571,779		898,877	\$	45,191,741	\$	44,292,865
Aug-13	28,453,357	12,150,823		1,897,764		1,589,443		978,720	\$	45,070,108	\$	44,091,388
Sep-13	28,984,000	12,441,263		343,593		1,626,915		1,054,484	\$	44,450,256	\$	43,395,771
Oct-13	21,182,850	8,367,792		(62,505)		1,091,313		825,601	\$	31,405,051	\$	30,579,450
Nov-13	18,718,988	7,105,505		110,038		924,782		754,876	\$	27,614,190	\$	26,859,313
Dec-13	23,430,328	9,360,384		(291,845)		1,236,642		1,001,764	\$	34,737,274	\$	33,735,509
Jan-14	27,768,725	11,525,496		60,134		1,843,859		1,458,133	\$	42,656,348	\$	41,198,214
Feb-14	25,877,790	10,555,361		635,328		1,689,742		1,282,903	\$	40,041,123	\$	38,758,221
Mar-14	22,710,262	8,953,358		737,593		1,431,797		596,773	\$	34,429,783	\$	33,833,010
Apr-14	18,712,899	6,890,013	1	386,598		1,361,517		511,398	\$	27,862,424	\$	27,351,026
May-14	19,070,545	7,225,762		431,170		1,432,241		655,878	\$	28,815,597	\$	28,159,718
for 12 Months Endi	ng Current Expense Mor										s	35,617,877
		excluding Environmental					nth	=			\$	84,402,614
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-mont	hs end	ling with the Currer	ıt Mo	nth					<u> </u>	42.20%

	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-13	\$ 31,497,839	\$ 14,557,008	\$ 3,896,633	\$ 435,755	\$ 782,756								
Jul-13	33,683,236	19,230,037	3,925,313	482,855	1,090,462	\$ 58,411,903	\$ 57,321,440	\$ 34,166,091					
Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758					
Sep-13	32,150,317	17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455	\$ 32,640,672					
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817					
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516					
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991					
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136					
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522					
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829							
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450					
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994					
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =												
GROUP 2 Revenue	GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month												

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: May 31, 2014

				T =		
		Revenues per Form 3.00		Revenues per		
					Income Statement	
Kentucky Retail Revenues						
(1) Base	e Rates (Customer Charge, Energy Charge, Demand Charge)	\$	74,448,824	\$	74,448,824	
(2) Fuel	Adjustment Clause	\$	1,414,312	\$	1,414,312	
(3) DSM	M.	\$	2,014,940	\$	2,014,940	
(4) Envi	ironmental Surcharge			\$	1,804,977	
(5) CSR	Credits			\$	(319,217)	
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	77,878,075			
	ctional Revenues					
(7) Inter	rSystem (Total Less Transmission Portion Booked in Account 447)	\$	10,408,439	\$	10,408,439	
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	10,408,439			
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	88,286,515			
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		88.21%			
Reconciling Revenues						
	kered	\$	-	\$	-	
	rSystem (Transmission Portion Booked in Account 447)			\$	_	
(12) Unb	illed			\$	7,849,150	
(13) Miso	cellaneous			\$	1,360,857	
(14)	Total Company Revenues per Income Statement =			\$	98,982,281	



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

July 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of June 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00243, LG&E 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 LG&E'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,
Robert Mlamay
you

Robert M. Conroy

Enclosures

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

#### 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: PROJECT NAME:

04/01/2014-04/28/2014 Kentucky LGE Environmental Compliance

**ITAGE PROJECT #:** 

2011-56

FIRM INVOICED: Daryl E. Newby

Kentucky Public Service Commission

P.O. Box 615

21.1 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 Drabinskl Chuck Buechel Mike Boismenu	04/01/2014-04/28/2014 04/01/2014-04/28/2014 04/01/2014-04/28/2014	29 28 16	\$260 \$240 \$240	\$6,720.00	\$160,00	\$8,978.60 \$6,880.00 \$3,840.00				
SUB TOTALS         73         \$18,100.00         \$1,598.60         \$19,698.60           TOTAL FEES         \$18,100.00         \$1,598.60         \$18,100.00           TOTAL PERSONAL EXPENSES         \$1,598.60         \$1,598.60           OVERNIGHT MAIL         \$0.00         \$0.00           COPYING - Black/White         \$0.00         \$0.00           COPYING - Color         \$0.00										
MISCELLANEOUS Invoice Amount TOTAL MONTHI										

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

KU, LGE 20140428, 4/28/2014

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of June 2014

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,264,820
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	=	\$ 1,727,421
Group 2 ES Billing Factor ES Form 1.10, line 17	=	5.62%

Effective Date for Billing: August billing cycle beginning July 31, 2014

Submitted by:

Title: Director, Rates

Date Submitted: July 21, 2014

Calculation of Total E(m) and Group Surcharge Billing Factors

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		=	\$ 507,040,783
(2) RB/12		=	\$ 42,253,399
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	=	10.26%
(4) OE		=	\$ 259,982
(5) BAS		=	\$ -
(6) BR		. =	\$ (11,652)
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 4,583,528

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	93.58%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 4,289,266
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00243	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,297,025
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 2,992,241

Calculation of Group Environmental Surcharge Billing Factors

	Supering Enterior		GROU	P 1 (Total Revenue)	GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.27%		57.73%
(15)	Group E(m) [(13) x (14)]	=	\$	1,264,820	\$	1,727,421
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,974,892	\$	30,733,361
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		3.52%		5,62%

Revenue Requirements of Environmental Compliance Costs For the Expense Month of June 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental Compliance Plan						
Eligible Pollution Control Plant	\$ 19,316,024						
Eligible Pollution CWIP Excluding AFUDC	490,031,686						
Subtotal	\$	509,347,710					
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	61,457						
Cash Working Capital Allowance	211,849						
Subtotal		273,306					
Deductions:							
Accumulated Depreciation on Eligible Pollution Control Plant	744,835						
Pollution Control Deferred Income Taxes	1,835,398						
Subtotal		2,580,233					
Environmental Compliance Rate Base	\$	507,040,783					

**Determination of Pollution Control Operating Expenses** 

	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 152,472
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	18,301
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	9,258
Total Pollution Control Operations Expense	\$ 259,982

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental
	Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 21,938
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(33,590)
Net Beneficial Reuse Operations Expense	\$ (11,652)

**Proceeds From By-Product and Allowance Sales** 

	Total		An	nount in	Net		
	Proceeds		Base Rates			Proceeds	
	(1)		(2)			(1) - (2)	
Allowance Sales	\$	-	\$	-	\$	-	
Scrubber By-Products Sales		-		-		-	
Total Proceeds from Sales	\$		\$	-	\$	-	

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: June 30, 2014

(1)	T	(2)		(3)		(4)	(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service		Deferred Tax Balance as of 6/30/2014	Monthly ITC Amortization Credit		Monthly Depreciation Expense	I	Monthly Property Tax Expense
							(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]														
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354	\$	588,543	\$	-	\$ 9,010,811	\$	544,977		\$	19,647	\$	1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	\$	-	\$	11,479,453	\$ 11,479,453	\$	-		\$	-	\$	1,260
Project 25 - Beneficial Reuse	\$	4,636,272	\$	179,347	\$	(79,542)	\$ 4,377,384	\$	883,535		\$	9,504	\$	554
Subtotal	\$	14,235,626	\$	767,890	\$	11,399,911	\$ 24,867,647	\$	1,428,512		\$	29,151	\$	2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	(365,982)	s	(202,574)	\$	-	\$ (163,408)	s	(63,566)		s	(775)	s	(20)
Net Total - 2009 Plan:	\$	13,869,644	\$	565,316	\$	11,399,911	\$ 24,704,239	\$	1,364,947		\$	28,376	\$	2,936
	1													
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$	5,446,380	s s	179,519	s s	451,550,507 27,081,268	456,817,368 27,081,268		470,452		\$	9,090	\$	37,757 1,790
Subtotal	\$	5,446,380	\$	179,519	\$	478,631,775	\$ 483,898,636	\$	470,452		\$	9,090	\$	39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	-	s	-	\$	-	\$ -	\$	-		\$	-	\$	-
Net Total - 2011 Plan:	\$	5,446,380	\$	179,519	\$	478,631,775	\$ 483,898,636	\$	470,452	s -	\$	9,090	\$	39,547
Net Total - All Plans:	\$	19,316,024	\$	744,835	\$	490,031,686	\$ 508,602,875	1 \$	1,835,398	-	\$	37,467	\$	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: June 30, 2014

Vintage Year	Nur	mber of Allowand	ces	Tot	al Dollar	Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	97,097	6,140	2,935	\$ 308.96	\$	67,361.11	\$ 4.40	
2015	62,379							
2016	62,379							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379	-						
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379			•				
2032	62,379							
2033	62,379							
2034 - 2043	623,790		<u></u>					

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of June 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold ·	Inventory	Sale Date & Vintage Years
				•			
TOTAL EMISSIO	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	103,931	0	6,834	0	0	97,097	
Dollars	\$ 330.70	\$ -	\$ 21.74	\$ -	\$ -	\$ 308.96	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED AL		OM EPA: COAL F					
Quantity	98,722	-	6,490		-	92,232	
Dollars	\$ 314.12	\$ -	\$ 20.65	\$ -	\$	\$ 293.47	
ALLOCATED AL		OM EPA: OTHER					
Quantity	5,209	-	344	-	-	4,865	
Dollars	\$ 16.58	\$ -	\$ 1.09	\$ -	\$ -	\$ 15.49	
ALLOWANCES I	FROM PURCHAS	ES:		-			
From Market:	,						
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	.\$ -	
	,				T		
From KU				W. W. W. W. W. W. W. W. W. W. W. W. W. W			
Quantity		-	-	-	-		
Dollars	\$ -	\$ -	\$ -	\$ -		\$ -	
\$/Allowance	\$ -	\$ -	\$ -	-	\$ -	-	
	,			•			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of June 2014

	Beginning Inventory	T	Allocations/ Purchases	Utilized (Coal Fuel		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years	
	Inventory		Fulcliases	(Coar rue)	/	(Office Fuels)		3010		Hivelitory	Sale Date & Village Tears	
TOTAL EMISSION ALLOWANCES IN INVENTORY, ALL CLASSIFICATIONS												
Quantity	4,7	34	0	1,	789	10		0		2,935		
Dollars	\$ 7.		\$ -	\$ 2	2.70	\$ 0.02	\$		\$	4.40		
\$/Allowance	\$ -		\$ -	\$	-	\$ -	\$	-	\$	-		
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL												
Quantity	4,3				,666	0		0	-	2,643		
Dollars	\$ 6.	49 5	\$ -	\$	2.51	\$ -	\$	-	\$	3.98		
							L					
			M EPA: OTHER									
Quantity		25	-		123	10			ļ.,	292		
Dollars	\$ 0.	63	\$ -	\$	0.19	\$ 0.02	\$	-	\$	0.42		
				L.,					<u></u>			
		. ~~										
ALLOWANCES	FROM PURCH	ASE	S:				T		т			
From Market:		_					-		-			
Quantity	-	0	0		0	0	-	0	+-	0		
Dollars	\$ -	_	\$ -	\$		\$ -	\$		\$			
\$/Allowance	\$ -		\$ -	\$	-	\$ -	1.2		\$			
E VII.	1			T			T		T-			
From KU:	-	0	0		0	0	-	0	+	0		
Quantity Dollars	s -					0	\$ .		\$			
\$/Allowance			\$ - \$ -	\$		\$ -	\$		\$	-		
J/Allowance			<b>3</b> -	1 4			1.2		1 1			

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of June 2014

	Beginning	Allocations/	Utilized	Utilized		Ending		Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory		Sale Date & Vintage Years
TOTAL EMISSION		S IN INVENTORY						
Quantity	7,939		1,100				5,140	
Dollars	\$ 87,097.71		\$ 19,626.89			\$ 67,3		
\$/Allowance	\$ 10.97	\$ -	\$ 10.97	\$ 10.97	\$ -	\$	10.97	
ATTOCATEDA	I I OWANCES ED	OM EPA: COAL F	ZY TIE Y					
Quantity	7,241	OM EFA: COAL F	1,666	Τ -	_		5,575	
Dollars	\$ 79,437.39		\$ 18,278.26		\$ -		59.13	
Domais	Ψ 17,431.39	Ψ	Ψ 10,276,20		-	01,1		
ALLOCATED A	LLOWANCES FR	OM EPA: OTHER						
Quantity	698		123				565	
Dollars	\$ 7,660.32	. \$ -	\$ 1,348.63	\$ 109.71	\$ -	\$ 6,2	01.98	
ATT OWN NOTE	EDOM DUDONA	one.						•
From Market:	FROM PURCHA	SES:	T		T			
Quantity		0	0	0		0	0	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$		
\$/Allowance	\s\ -	\$ -	\$ -	\$ -	\$ -	\$	-	
ψ/ / HIO WATICE	ΙΨ	ΙΨ	ΙΨ	1 *	1*	1 *		
From KU:								*****
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.

# LOUISVILLE GAS AND ELECTRIC 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	\$ 144,888
10th Previous Month	164,266
9th Previous Month	136,638
8th Previous Month	57,539
7th Previous Month	94,439
6th Previous Month	117,488
5th Previous Month	245,407
4th Previous Month	54,170
3rd Previous Month	152,321
2nd Previous Month	231,657
Previous Month	155,157
Current Month	140,820
Total 12 Month O&M	\$ 1,694,788

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,694,788						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	211,849						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: June 30, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		-	-
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses			-
2011 Plan			
502056 - ECR Scrubber Operations	-		-
512055 - ECR Scrubber Maintenance			-
506159 - ECR Sorbent Injection Operation	-	7,784	7,784
506152 - ECR Sorbent Reactant - Reagent Only		143,295	143,295
512152 - ECR Sorbent Injection Maintenance	-	1,393	1,393
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	-	-	· -
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	-		-
Total 2011 Plan O&M Expenses	-	152,472	152,472
		150 470	f 150 470
Current Month O&M Expense for All Plans	-   \$	\$ 152,472	\$ 152,472

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: June 30, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense $[(2) + (3)]$	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: June 30, 2014

Third Party	O&M Expense Account	Plant	То	tal O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	9,635
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,853
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	2,184
Synthetic Materials	502011 - ECR Other Waste Disposal	Trimble County	\$	1,227
C and B Energy	501253 - ECR Fly Ash Disposal	Trimble County	\$	1,038
		·		
				,
Total Monthly Beneficia	al Reuse Expense		\$	21,938
Adjustment for Benefici	ial Reuse in Base Rates (from ES Form 2.6	51)	\$	(33,590)
Net Beneficial Reuse O	&M Expense		\$	(11,652)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: June 30, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trim	ble County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					_	
(1) 12 Months Ending with Expense Month	\$	306,006	\$	(27,841)		278,166
(2) Monthly Amount [(1) / 12]	\$	25,501	\$	(2,320)	\$	23,180
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	2,184	\$	19,754	\$	21,938
Total Beneficial Reuse - Generating Station		-				
(4) Monthly Expense [(2) + (3)]	\$	27,684	\$	17,434	\$	45,118
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(29,086)	\$	17,434	\$	(11,652)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(31,270)		(2,320)	\$	(33,590)
If Line (8) Greater than Zero, No Adjustment			· ·			
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$	(31,270)	T \$	(2,320)	I \$	(33,590)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)										
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	J	Total Excluding Environmental Surcharge (7)-(6)			
Jul-13	\$ 28,199,351	\$ 12,013,577	\$ 2,508,157	\$ 1,571,779	\$ 898,877	\$ 45,191,741	\$	44,292,865			
Aug-13	28,453,357	12,150,823	1,897,764	1,589,443	978,720	\$ 45,070,108	\$	44,091,388			
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771			
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450			
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313			
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509			
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214			
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221			
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010			
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026			
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718			
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215			
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
		excluding Environmental	Surcharge for 12-months	s ending with Current Mo	onth =		\$	35,974,892 85,114,473			
		al Revenues for 12-month						42.27%			

			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	\$ 33,683,236	\$ 19,230,037	\$ 3,925,313	\$ 482,855	\$ 1,090,462	\$ 58,411,903							
$\vdash$	Aug-13	33,693,401	19,533,849	3,074,730	475,357	1,206,018	\$ 57,983,355							
$\vdash$	Sep-13		17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455						
$\vdash$	Oct-13		18,832,731	(10,888)		1,383,951	\$ 52,475,611		\$ 32,269,817					
$\vdash$	Nov-13		15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516					
_	Dec-13		15,407,441	(390,278)		1,303,150	\$ 43,724,304		\$ 27,403,991					
	Jan-14		17,452,792	(13,969)		1,694,648	\$ 49,276,608		\$ 30,143,136					
	Feb-14		17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522					
	Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049					
	Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450					
	May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994					
	Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337					
	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.								\$ 30,733,361					
			excluding Environmental al Revenues for 12-mont			onth =		\$ 85,114,473 57.73%						

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: June 30, 2014

		Revenues per	R	evenues per
		Form 3.00	Inco	me Statement
Kentucl	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 88,198,882	\$	88,198,882
(2)	Fuel Adjustment Clause	\$ 3,174,403	\$	3,174,403
(3)	DSM	\$ 2,716,308	\$	2,716,308
(4)	Environmental Surcharge		\$	2,760,344
(5)	CSR Credits		\$	(426,386)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 94,089,594		
Non -Ju	urisdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 6,459,297	\$	6,459,297
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 6,459,297		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 100,548,891		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$	93.58%		
			]	
Reconc	iling Revenues			
(10)	Brokered	\$ 	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	-
(12)	Unbilled		\$	3,103,328
(13)	Miscellaneous		\$ .	1,422,337
(14)	Total Company Revenues per Income Statement =		\$	107,408,515

### RECEIVED

Attachment to Response to SV Question No. 2(b) Page 989 of 1183 2014

PUBLIC'S ERVICE COMMISSION

Louisville Gas and Electric Company

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

August 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of July 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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,

Robert M. Conroy

pert Monroy you

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of July 2014

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	<del>=</del>	\$ 1,152,316
Group 1 ES Billing Factor ES Form 1.10, line 17		3.19%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	. =	\$ 1,559,016
Group 2 ES Billing Factor ES Form 1.10, line 17	Wester - Manager	5.07%

Effective Date for Billing: September billing cycle beginning August 29, 2014

Submitted by:

Title: Director, Rates

Date Submitted: August 19, 2014

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of July 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RC	(TR/(1-TR)) = OE - BAS + BR, where
RB	200	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR		Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	-	Beneficial Reuse Operating Expenses

			invironmental Impliance Plans
(1) RB		=	\$ 550,894,435
(2) RB/12		=	\$ 45,907,870
(3) $(ROR + (ROR -$	DR) (TR / (1 - TR)))	==	10.43%
(4) OE		=	\$ 265,619
(5) BAS		=	\$ -
(6) BR		==	\$ (14,043)
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$ 5,039,767

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	_	95.20%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]		\$ 4,797,858
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ (654,925)
(11)	Prior Period Adjustment (if necessary)		\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,431,601
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 2,711,332

Calculation of Group Environmental Surcharge Billing Factors

			GROU	JP 1 (Total Revenue)	GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	NAME PARKET		42.50%		57.50%
(15)	Group E(m) [(13) x (14)]	202	\$	1,152,316	\$	1,559,016
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	36,131,871	\$	30,760,935
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		3.19%		5.07%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of July 2014

Determination of Environmental Compliance Rate Base

·	Enviromental Compliance Plan					
Eligible Pollution Control Plant	\$	19,316,024		(Parkerberger)		
Eligible Pollution CWIP Excluding AFUDC		533,845,094				
Subtotal			\$	553,161,118		
Additions:						
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		159,808				
Cash Working Capital Allowance		211,241				
Subtotal				371,049		
Deductions:						
Accumulated Depreciation on Eligible Pollution Control Plant		783,076				
Pollution Control Deferred Income Taxes		. 1,854,656				
Subtotal		A THE STATE OF STATE		2,637,732		
Environmental Compliance Rate Base			\$	550,894,435		

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 154,072
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	31,597
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	, -
Total Pollution Control Operations Expense	\$ 265,619

**Determination of Beneficial Reuse Operating Expenses** 

	Enviro	nmental
·	Complia	ance Plan
Total Monthly Beneficial Reuse Expense	\$	24,378
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(38,420)
,		
Net Beneficial Reuse Operations Expense	\$	(14,043)

Proceeds From By-Product and Allowance Sales

		otal	İ	ount in		Net
	Proceeds		Base Rates		Proceeds (1) - (2)	
·	(1)			(2)		
Allowance Sales	\$	-	\$	-	\$	-
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	-	\$	_	\$	-

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: July 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	Deferred Tax Balance as of 7/31/2014	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
	T			(2)-(3)+(4)				
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]		The second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second secon	2008200 - 1000 MA 2000 WARES 12					
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ 9,599,354 \$ - \$ 4,636,272	\$ -	\$ 11,729,437		\$ -		\$ 19,647 \$ - \$ 9,504	\$ 1,260
Subtotal Less Retirements and Replacement resulting	\$ 14,235,626						\$ 29,151	
from implementation of 2009 Plan	\$ (365,982	\$ (202,574	s -	\$ (163,408	\$ (63,566)		\$ (775)	\$ (20)
Net Total - 2009 Plan:	\$ 13,869,644	\$ 594,46	\$ 11,649,890	\$ 24,925,073	\$ 1,378,362		\$ 28,376	\$ 2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ 5,446,386	\$ 188,60	\$ 30,604,974	\$ 30,604,974			\$ 9,090	\$ 37,757 \$ 1,790
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$ 5,446,386 \$ -	S 188,60 S -	\$ 522,195,195	\$ 527,452,969	\$ 476,294		\$ 9,090	\$ 39,547 \$ -
Net Total - 2011 Plan:	\$ 5,446,38	\$ 188,60	\$ 522,195,19	9 \$ 527,452,969	9 \$ 476,294	s -	\$ 9,090	\$ 39,547
Net Total - All Plans:	\$ 19,316,02	1 \$ 783,07	5 \$ 533,845,09	4 \$ 552,378,042	2 \$ 1,854,656	<b>S</b> -	\$ 37,467	\$ 42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

Inventory of Emission Allowances

For the Month Ended: July 31, 2014

Vintage Year	Nun	iber of Allowand	es	Tota	al Dollar Value Of Vintage	Year	Comments and Explanations
	$SO_2$	NOx	NOx	$SO_2$	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	90,319	6,780	1,575	\$ 287.39	\$ 171,050.16	\$ 2.37	
2015	62,379						
2016	62,379						
2017	62,379						
2018	62,379						
2019	62,379						·
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379					,	
2024	62,379					,	
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034 - 2043	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of July 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSIC	N ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	97,09 <b>7</b>	0	6,778	0	0	90,319	
Dollars	\$ 308.96	\$ -	\$ 21.57		\$ -	\$ 287.39	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	S -	\$ -	
	LOWANCES FRO	M EPA: COAL F					
Quantity	92,232	-	6,533		-	85,699	
Dollars	\$ 293.47	\$ -	\$ 20.79	\$ -	\$ -	\$ 272.68	
			<u> </u>				
ALLOCATED AI Quantity Dollars	4,865 \$ 15.49	-	FUELS 245 \$ 0.78	- \$ -	- \$ -	\$ 4,620 \$ 14.71	
ALLOWANCES	FROM PURCHAS	ES:					
From Market:		1					
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -		
\$/Allowance	\$ -	\$ -	S -	\$ -	\$ -	\$ -	
From KU							
Quantity	-	-	-	-	-	-	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of July 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
		<del></del>					
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	2,935		1,347	. 13	0	1,575	Name of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state
Dollars	\$ 4.40		\$ 2.02	\$ 0.01	\$ -	\$ 2.37	
\$/Allowance	\$ -	\$ -	\$ -	s -	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FR	OM EPA: COAL F					
Quantity	2,643		1,252	0	0	1,391	
Dollars	\$ 3.98	S -	\$ 1.88	\$ -	\$ -	\$ 2.10	
	ALLOWANCES FR			_			
Quantity	292		95	13		184	
Dollars	\$ 0.42	\$ -	\$ 0.14	\$ 0.01	\$ -	\$ 0.27	
			J			<u> </u>	
				•		*	
	S FROM PURCHAS	SES:				T	
From Market:							
Quantity	C			0	0	0	
Dollars	\$ -	<u> </u>	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	-	\$ -	-	\$ -	-	
						·	
From KU:							
Quantity							
Dollars	\$ -	\$ -	\$ -	-		\$ -	
\$/Allowance	\$ -	\$ -	\$ ~ -			\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - 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 EMISSIO	ON ALLOWA	NCES	IN INVENTO	RY.	ALL CLASSIFIC	ATIO	NS					
Quantity		140	2,00		1,347		13		0		6,780	
Dollars	\$ 67,36	1.11	\$ 138,000.0	00	\$ 33,982.97	\$	327.98	\$	-	\$	171,050.16	
\$/Allowance	\$ 1	0.97	\$ 69.0	00	\$ 25.23	\$	25.23	\$	-	\$	25.23	
ALLOCATED A	LLOWANCES	FRO	M EPA: COAI	LFU	EL							
Quantity	5	,575	_		1,252		-	1	-		6,323	Ending inventory includes purchase from the market as shown below.
Dollars	\$ 61,15	9.13	\$ (8,052	20)	\$ 31,573.95	\$	-	\$	-	\$	159,532.98	Adjusted Ending Inventory dollars to reflect non-recoverable allowance
												value.
ALLOCATED A		565	-		95	1	13		-			Adjusted Ending Inventory dollars to reflect non-recoverable allowance
Dollars	\$ 6,20	1.98	\$ 8,052.	20	\$ 2,409.02	\$	327.98	\$	-	\$	11,517.18	value.
								<u> </u>				
ALLOWANCES	FROM PURC	HASI	ES:							W 30****		
From Market:												
Quantity		0	2,0		0	-	0		0		0	Purchased allowances from the market; included in Ending Inventory -
Dollars	\$	-	\$ 138,000.		\$ -	\$	_	\$	_	\$	-	Coal Fuel as shown above.
\$/Allowance	\$	-	\$ 69.	.00	\$ -	\$		\$	-	\$	_	
	T					T		T		Γ		
From KU;		0			^			-				
From KU: Quantity	•	0	•	0	0		0	•	0	2		
From KU:	\$ \$	0	\$ -	-	0 \$ - \$ -	\$	0	\$	0	\$	_	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 164,266						
10th Previous Month	136,638						
9th Previous Month	57,539						
8th Previous Month	94,439						
7th Previous Month	117,488						
6th Previous Month	245,407						
5th Previous Month	54,170						
4th Previous Month	152,321						
3rd Previous Month	231,657						
2nd Previous Month	155,157						
Previous Month	140,820						
Current Month	140,030						
Total 12 Month O&M	\$ 1,689,930						

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,689,930						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	211,241						

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: July 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		-	-
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses	78. 49.	-	N=
2011 Plan			
502056 - ECR Scrubber Operations	_	All the second second	-
512055 - ECR Scrubber Maintenance	· -		-
506159 - ECR Sorbent Injection Operation	-	17,260	17,260
506152 - ECR Sorbent Reactant - Reagent Only	-	133,230	133,230
512152 - ECR Sorbent Injection Maintenance	_	3,583	3,583
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	_	-	-
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	-	(A) (A) (A) (A) (A) (A) (A) (A) (A) (A)	-
Total 2011 Plan O&M Expenses	-	154,072	154,072
Current Month O&M Expense for All Plans		\$ 154,072   \$	5 154,072

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses For the Month Ended: July 31, 2014

On-Site CCP Disposal O&M Expense	Trimble (		
Existing CCP Disposal Facilities (Pre 2009 Plan Project)			
(1) 12 Months Ending with Expense Month	\$		
(2) Monthly Amount [(1) / 12]	\$	•	
2009 Plan Project			
(3) Monthly Expense	\$	•	
Total Generating Station			
(4) Monthly Expense [(2) + (3)]	\$	, -	
Base Rates			
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	_	
(6) Monthly Expense Amount [(5) / 12]	\$		
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$		
(8) Less 2009 Plan Project [(7) - (3)]	\$	-	
If Line (8) Greater than Zero, No Adjustment			
If Line (8) Less than Zero, Adjustment for Base Rates			
djustment for Base Rate Amount (to ES Form 2.50)	<u> </u>		

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: July 31, 2014

Third Party	O&M Expense Account	Plant	Тс	Total O&M	
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	11,876	
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	9,070	
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	748	
Synthetic Materials	502011 - ECR Other Waste Disposal	Trimble County	\$	2,683	
				, <u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>	
Total Monthly Benefic	ial Reuse Expense		\$	24,378	
2	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(38,420)	
Net Beneficial Reuse C	D&M Expense		\$	(14,043)	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities For the Month Ended: July 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				
(1) 12 Months Ending with Expense Month	\$	249,620	\$ (29,420)	\$ 220,200
(2) Monthly Amount [(1) / 12]	\$	20,802	\$ (2,452)	\$ 18,350
2009 Plan Project 25				
(3) Monthly Amount (Expense/Revenue)	\$	748	\$ 23,630	\$ 24,378
Total Beneficial Reuse - Generating Station				
(4) Monthly Expense [(2) + (3)]	\$	21,549	\$ 21,178	\$ 42,728
Beneficial Reuse in Base Rates				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$ -	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$ -	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]		(35,221)	\$ 21,178	\$ (14,043)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(35,969)	\$ (2,452)	\$ (38,420)
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)	\$	(35,969)	\$ (2,452)	\$ (38,420)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

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)									
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	F	Total Excluding Environmental Surcharge (7)-(6)		
Aug-13	\$ 28,453,357	\$ 12,150,823	\$ 1,897,764	\$ 1,589,443	\$ 978,720	\$ 45,070,108	\$	44,091,388		
Sep-13	28,984,000	12,441,263	343,593	1,626,915	1,054,484	\$ 44,450,256	\$	43,395,771		
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	825,601	\$ 31,405,051	\$	30,579,450		
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313		
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509		
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214		
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221		
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010		
Apr-14	18,712,899	6,890,013	386,598.	1,361,517	511,398	\$ 27,862,424	\$	27,351,026		
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718		
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215		
Jul-14	30,245,789	. 12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613		
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								36,131,871		
			Surcharge for 12-months		onth =		5	85,015,560		
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-mont	hs ending with the Curre	nt Month				42.50%		

		GROUP 2 (Net Revenues) - Kentucky Jurisdictional Revenues										
(1)	(2)	(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	\$ 33,693,401	\$ 19,533,849	\$ 3,074,730	\$ 475,357	\$ 1,206,018	\$ 57,983,355	\$ 56,777,337	\$ 34,168,758				
Sep-13		17,745,080	652,703	490,355	1,257,234	\$ 52,295,689	\$ 51,038,455					
Oct-13	31,850,165	18,832,731	(10,888)	419,652	1,383,951	\$ 52,475,611	\$ 51,091,660	\$ 32,269,817				
Nov-13	26,823,811	15,566,471	197,892	359,705	1,234,929	\$ 44,182,807	\$ 42,947,879	\$ 27,183,516				
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991				
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136				
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522				
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049				
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450				
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994				
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337				
Jul-14			1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984				
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =											
		al Revenues for 12-mont			onui =		\$ 85,015,560 57.50%					

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: July 31, 2014

			Revenues per	Re	evenues per
			Form 3.00	Inco	me Statement
Kentucl	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	95,362,121	\$ ·	95,362,121
(2)	Fuel Adjustment Clause	\$	1,801,584	\$	1,801,584
(3)	DSM	\$	3,263,645	\$	3,263,645
(4)	Environmental Surcharge			\$	3,205,221
(5)	CSR Credits			\$	(234,549)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	100,427,350		
Non -Ju	risdictional Revenues				1
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	5,061,978	\$	5,061,978
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	5,061,978		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	105,489,328		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		95.20%	1	
Reconc	iling Revenues	1			
(10)	Brokered	\$	· -	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)	T		\$	-
(12)	Unbilled	T		\$	(4,077,832)
(13)	Miscellaneous			\$	1,463,798
(14)	Total Company Revenues per Income Statement =			\$	105,845,966



a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

September 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of August 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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 LG&E'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

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

Attachment to Response to SV Question Page 1006 of Fig.

#### INVOICE FOR PROFESSIONAL FEES AND SERVICES FOR: VANTAGE ENERGY CONSULTING, LLC

FED TAX ID# 27-2585037

INVOICE DATE: INVOICE #: 7/29/2014

INVOICE PERIOD:

20140728 07/01/2014-07/29/2014

PROJECT NAME: **TTAGE PROJECT 批** 

Kentucky LGE Environmental Compliance

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	HTMOM	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD AMOUNT	TOTALS
Chuck Buechel .	07/01/2014-04/29/2014 07/01/2014-04/29/2014 07/01/2014-04/29/2014	29 30 40	\$260 \$240 \$240	\$7,200.00	\$223.20	\$7,423,20	
SUB TOTALS	and the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control of the second control	99		\$24,340.00	\$2,866.24	\$27,206.24	
TOTAL FEES		,		•	•	•	\$24,340.00
TOTAL PERSONAL	EXPENSES			•			\$2,866.24
OVERNIGHT MAIL	<b>-</b> -						\$0.00
COPYING - Black/M	/hite			•			\$0.00
COPYING - Color				•		*	\$0,00
MISCELLANEOUS	•			•		*	
invoice Amount,	•				•		\$27,206,24
TOTAL MONTH	Y INVOICE AMOU	NT		•			\$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 Altn: Watter P. Drabioski

305-744-3:140

Robert M. Conroy Director - Rates

LG&F and K(! Energy, LLC

KU, LGE 20140729, 7/29/2014

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of August 2014

#### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,320,440
Group 1 ES Billing Factor ES Form 1.10, line 17	=	3.69%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 1,788,672
Group 2 ES Billing Factor ES Form 1.10, line 17	=	5.83%

Effective Date for Billing: October billing cycle beginning September 30, 2014

Title: Director, Rates

Submitted by

Date Submitted: September 19, 2014

Calculation of Total E(m) and Group Surcharge Billing Factors

#### 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		=	\$	593,739,573	
(2)	RB / 12	•	=	\$	49,478,298	
(3)	(ROR + (ROR - I	OR) (TR / (1 - TR)))	=		10,43%	
(4)	OE		=	\$	250,569	
(5)	BAS		=	\$	1,595	
(6)	BR		=	\$	(22,615)	
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	5,386,946	

Calculation of Adjusted Net Jurisdictional E(m)

(8)	(8) Jurisdictional Allocation Ratio for Expense Month ES Form 3.10			94.18%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$	5,073,426
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$	(654,925)
(11)	Prior Period Adjustment (if necessary)	=	\$	-
(12)	Revenue Collected through Base Rates	=	\$	1,309,389
(13)	Adjusted Net Jurisdictional E(m) $[(9)+(10)+(11)-(12)]$	=	\$	3,109,112

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	=		42.47%		57.53%
(15)	Group E(m) [(13) x (14)]	=	\$	1,320,440	\$	1,788,672
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	s	35,761,176	\$	30,678,481
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		3,69%		5.83%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of August 2014

Determination of Environmental Compliance Rate Base

	Enviromental Comp	oliance Plan
Eligible Pollution Control Plant	\$ 19,316,024	
Eligible Pollution CWIP Excluding AFUDC	576,791,267	
Subtotal	SAMOSSU GREEN S	596,107,291
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	123,843	
Cash Working Capital Allowance	203,666	
Subtotal		327,509
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	821,317	
Pollution Control Deferred Income Taxes	1,873,910	
Subtotal		2,695,227
Environmental Compliance Rate Base	\$ 20.000	593,739,573

**Determination of Pollution Control Operating Expenses** 

	Environmental
,	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 126,276
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	*
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	31,556
Monthly Surcharge Consulting Fees	**
Construction Monitoring Consultant Fee	12,787
Total Pollution Control Operations Expense	\$ 250,569

Determination of Beneficial Reuse Operating Expenses

	1	ironmental pliance Plan
Total Monthly Beneficial Reuse Expense	\$	19,513
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(42,128)
Net Beneficial Reuse Operations Expense	\$	(22,615)

Proceeds From By-Product and Allowance Sales

		Total roceeds	ou <b>n</b> t in e Rates	Net Proceeds	
		(1)	 (2)	(	1) - (2)
Allowance Sales	\$	1,595	\$ *	<b>T</b> \$	1,595
Scrubber By-Products Sales		-			*
Total Proceeds from Sales	[ \$	1,595	\$ *	S	1,595

#### LOUISVILLE GAS AND ELECTRIC 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		Deferred Tax Balance as of 8/31/2014	Monthly ITC Amortization Credit	D	Monthly Depreciation Expense	Pro	Monthly operty Tax Expense
								(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]											a tyre y		24 . V - W		
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354	s	627,836	\$		s	8,971,518		568,161		\$	19,647	\$	1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	S	-	S	12,000,961		12,000,961		-		\$	-	\$	1,260
Project 2S - Beneficial Reuse	\$	4,636,272	\$	198,355	s	(79,542)	\$	4,358,375	\$	387,182		\$	9,504	\$	554
Subtotal	\$	14,235,626	\$	826,192	\$	11,921,419	s	25,330,853	\$	1,455,344		S	29,151	\$	2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	(365,982)	s	(202,574)	s	-	\$	(163,408)	s	(63,566)		s	(775)	\$	(20)
Net Total - 2009 Plan:	\$	13,869,644	\$	623,618	S	11,921,419	\$	25,167,445	\$	1,391,778		\$	28,376	S	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	5,446,380	s s	197,700	s s	530,187,464 34,682,384		535,436,145 34,682,384		482,132	and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s	s s	9,090	s s	37,757 1,790
Subtotal	\$	5,446,380	\$	197,700	\$	564,869,848	s	570,118,528	\$	482,132		\$	9,090	S	39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	-	\$	-	s	-	5	-	s	-		\$	-	s	-
Net Total - 2011 Plan:	ş	5,446,380	\$	197,700	\$	564,869,848	s	570,118,528	\$	482,132	\$ -	\$	9,090	\$	39,547
Net Total - Ali Plans:	Ś	19,316,024	S	821,317	s	576,791,267	Š	595,285,974	\$	1,873,910	\$ -	\$	37,467	Ś	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2,50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: August 31, 2014

Vintage Year	Nuo	nber of Allowan	>es	Tot	al Dellar Value Of Vintage	Year	Comments and Explanations
[	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season	·	Annual	Ozone Season	
Current Year	81,075	5,387	182	\$ 263,12	\$ 135,906.67	\$ 0.27	
2015	62,379						
2016	62,379						
2017	62,379						· ·
2018	62,379		,			,	
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	52,379						
2027	62,379	, ,					**************************************
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	:	
2032	62,379					<u></u>	
2033	62,379			MARANA MARANA	,		
2034 - 2043	623,790			200000000000000000000000000000000000000	•		

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of August 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Quantity	90,319	(1,618)	7,410	0	21-	5	81,075	
Dollars	\$ 287.39	\$ -	\$ 23.58	\$ -	\$ 0.6	\$	263.12	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	·
ALLOCATED /	LLOWANCES FRO	M EPA: COAL F	UEL					
Quantity	85,699	(298)	7,243		21		77,942	Sale of 216 allowances to KU for its share of the current month
Dollars	S 272.68	\$ (0.94)	\$ 23.05	\$ -	\$ 0.6	\$	248.00	emission allowance expense. Adjusted Ending Inventory to
						1		reflect non-recoverable allowance value.
	ALLOWANCES FRO	OM EPA: OTHER (1,320)		-			3,133	Adjusted Ending Inventory to reflect non-recoverable allowance
ALLOCATED A Quantity Dollars	4,620			\$ -	\$ -	s		Adjusted Ending Inventory to reflect non-recoverable allowance value.
Quantity Dollars  ALLOWANCES	4,620	\$ 0.94	167			s		
Quantity Dollars  ALLOWANCES From Market:	4,620 \$ - 14.71 S FROM PURCHAS	(1,320) \$ 0.94	167 \$ 0.53	\$ -	\$ -	s	15,12	
Quantity Dollars  ALLOWANCES From Market: Quantity	4,620 \$ - 14.71 S FROM PURCHAS	(1,320) \$ 0.94	167 \$ 0.53	\$ -	\$ -		15.12	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,620 \$ - 14.71 S FROM PURCHAS - \$ -	(1,320) \$ 0.94 ES:	167 \$ 0.53	\$ - \$ -	\$ - \$ -	\$	15,12	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,620 \$ - 14.71 S FROM PURCHAS	(1,320) \$ 0.94	167 \$ 0.53	\$ -	\$ -		15.12	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	4,620 \$ - 14.71 S FROM PURCHAS - \$ -	(1,320) \$ 0.94 ES:	167 \$ 0.53	\$ - \$ -	\$ - \$ -	\$	15,12	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance - From KU	4,620 \$ - 14.71 S FROM PURCHAS - \$ -	(1,320) \$ 0.94 ES:	167 \$ 0.53	\$ - \$ -	\$ - \$ -	\$	15,12	
Quantity Dollars	4,620 \$ - 14.71 S FROM PURCHAS - \$ - \$ -	(1,320) \$ 0.94 ES: 	\$ 0.53	\$ - \$ - \$ -	\$ - \$ - \$ -	\$	15.12	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of August 2014

	Beginning	Allocations/	Utilized	Utilized		Ending		Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	.	Sale Date & Vintage Years
			· · · · · · · · · · · · · · · · · · ·					
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS				
Quantity	1,575	0		10	63		182	
Dollars	\$ 2.37	\$ -	S 1,99	\$ 0.01	\$ 0.10	\$	0.27	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$		·
	•		•		***************************************		***************************************	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL		4			
Quantity	1,391	(71)	1,250	0	63		7	Sale of 63 allowances to KU for its share of the current month
Dollars	\$ 2,10	\$ (0.11)	\$ 1.88	\$ -	\$ 0.10	\$	0.01	emission allowance expense. Adjusted Ending Inventory to
								reflect non-recoverable allowance value,
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS					
Quantity	184	71	70	10	-		175	Adjusted Ending Inventory to reflect non-recoverable allowance
Dollars	\$ 0.27		6 011	\$ 0.01	L C	•	0.07	1
Dollars	\$ 0.27	\$ 0.11	\$ 0.11	3 0.01	-	\$	0.26	value.
Dollars	\$ 0.27	\$ 0.11	\$ 0.11	3 0.01	3 -	.9	0.26	value.
			5 0.11	0.01		. 3	0.26	value.
ALLOWANCES	FROM PURCHAS		\$ 0.11	0.01	3 -	2	0.26	value.
			5 0.11	5 0.01		3	0.26	value.
ALLOWANCES From Market: Quantity			0.11	0.01			0.26	value.
ALLOWANCES From Market:	FROM PURCHAS	ES: 0	0 \$ -	0 \$ -	0 \$ -			value.
ALLOWANCES From Market: Quantity	FROM PURCHAS	ES: 0	0	0	0		0	value.
ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHAS	ES: 0	0 \$ -	0 \$ -	0 \$ -	\$	0	value.
ALLOWANCES From Market: Quantity Dollars	FROM PURCHAS	ES: 0	0 \$ -	0 \$ -	0 \$ -	\$	0	value.
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURCHAS	ES: 0	0 \$ -	0 S - S -	0 \$ - \$ -	\$ \$	0	value.
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity Dollars	0   S   -     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0     0	ES: 0 \$ - \$ - \$ - \$ 0 \$ \$ - \$	0 5 -	0 S - \$ -	0 \$ - \$ -	\$ \$ \$	0	value.
ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU: Quantity	FROM PURCHAS	ES: 0 \$ -   \$ -   0	0 \$ - \$ -	0 \$ - \$ -	\$ - \$ -	\$ 5	0	Value.

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of August 2014

	Beginning	Ì	Allocations/	Utilized		Utilized	Ĭ			Ending	Allocation, Purchase, or
	Inventory		Purchases	(Coal Fuel)	(	(Other Fuels)		Sold		Inventory	Sale Date & Vintage Years
						· · · · · · · · · · · · · · · · · · ·					
TOTAL EMISS	ION ALLOWAN	CES D	N INVENTORY,	ALL CLASSIFIC	CATIO	ONS					
Quantity	6,7		0	1,320		10		63		5,387	
Dollars	\$ 171,050.	16 S	-	\$ 33,297.26	\$	252,29	\$	1,593.94	\$	135,906.67	
\$/Allowance	\$ 25.	23 \ \$	-	\$ 25.23	\$	25,23	\$	25,30	\$	25.23	
•											•
	LLOWANCES I										
Quantity	6,3		(111)	1,250				63			Sale of 63 allowances to KU for its share of the current month
Dollars	\$ 159,532.	98   \$	(2,812.70)	\$ 31,531.25	\$	-	\$	1,593.94	\$	123,595.09	emission allowance expense, Adjusted Ending Inventory to
				,						_	reflect non-recoverable allowance value,
ALLOCATED A Quantity	LLOWANCES F	FOM 57	EPA: OTHER I	FUELS 70	ļ	10	1	_		488	Adjusted Ending Inventory to reflect non-recoverable allowance
							S	-	S		
				<del>, , , , , , , , , , , , , , , , , , , </del>		252,29	\$		\$	12,311.58	
Dollars							\$	Bà	S	12,311.58	
Dollars		8 \$	2,812,70				\$	. •	\$	12,311.58	
Dollars	\$ 11,517.	8 \$	2,812,70				\$		\$	12,311.58	
Dollars  ALLOWANCES From Market:	\$ 11,517.	8 \$	2,812,70		S		\$	0	S	12,311.58	value.
Dollars  ALLOWANCES	\$ 11,517.	ASES:	2,812.70	\$ 1,766.01	S	252.29	\$		\$	12,311.58	value.
Dollars  ALLOWANCES From Market: Quantity	\$ 11,517.	ASES:	2,812.70	\$ 1,766.01	\$	252.29				12,311.58	value.
ALLOWANCES From Market: Quantity Dollars	\$ 11.517.	4SES:	2,812.70	\$ 1,766.01 0 \$ -	\$	252.29	\$		\$	12,311.58	value.
Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	\$ 11.517.	4SES:	2,812.70	\$ 1,766.01 0 \$ -	\$	252.29	\$		\$	12,311.58	value.
ALLOWANCES From Market: Quantity Dollars S/Allowance From KU:	\$ 11.517.	4SES:	2,812.70	\$ 1,766.01 0 \$ -	\$ \$	252.29	\$		\$	12,311.58	value.
ALLOWANCES From Market: Quantity Dollars	\$ 11.517.	ASES:	2,812,70	\$ 1,766.01 0 \$ - \$ -	\$ \$	252.29	\$	0 -	\$	12,311.58	value.

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: August 31, 2014

Environmental Compli	ance Plan					
O&M Expenses		Amount				
11th Previous Month	\$	136,638				
10th Previous Month		57,539				
9th Previous Month		94,439				
8th Previous Month		117,488				
7th Previous Month		245,407				
6th Previous Month		54,170				
5th Previous Month		152,321				
4th Previous Month		231,657				
3rd Previous Month		155,157				
2nd Previous Month		140,820				
Previous Month		140,030				
Current Month		103,661				
Total 12 Month O&M	\$	1,629,326				

Determination of Working Capital Allowance							
12 Months O&M Expenses	S	1,629,326					
One Eighth (1/8) of 12 Month O&M Expenses		1/8					
Pollution Control Cash Working Capital Allowance	s	203,666					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: August 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations			-
512107 - ECR Landfill Maintenance			<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			-
Net 2009 Plan O&M Expenses		An.	
2011 Plan 502056 - ECR Scrubber Operations		Distanti vijestalivnikove triove l	
512056 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance			
506159 - ECR Sorbent Injection Operation	***************************************	14,714	14,714
506152 - ECR Sorbent Reactant - Reagent Only	ж	110,100	110,100
512152 - ECR Sorbent Injection Maintenance	.wv	1,463	1,463
506156 - ECR Baghouse Operations	***	_	
512156 - ECR Baghouse Maintenance		_	
506151 - ECR Activated Carbon			
Adjustment for Base Rates Baseline Amounts	-		-
Total 2011 Plan O&M Expenses		126,276	126,276
Current Month O&M Expense for All Plans	18 -	\$   126,276   \$	126,276

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: August 31, 2014

On-Site CCP Disposal O&M Expense	r	rimble 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)]	S	
(8) Less 2009 Plan Project [(7) - (3)]	\$	<u> </u>
If Line (8) Greater than Zero, No Adjustment	<u> </u>	
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)		

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** 

## LOUISVILLE GAS AND ELECTRIC 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	\$	11,737	
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,022	
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	755	
			<u> </u>		
		<u> </u>		***************************************	
Total Monthly Benefic	cial Reuse Expense		\$	19,513	
Adjustment for Benefi	cial Reuse in Base Rates (from ES Form 2,	61)	\$	(42,128)	
Net Beneficial Reuse (	D&M Expense	**************************************	\$	(22,615)	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: August 31, 2014

	On-Site CCP Disposal O&M Expense		Mill Creek	Trin	mble County	Total
	The state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		:	,		 
	xisting Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1)	12 Months Ending with Expense Month	\$	204,442	\$	(28,735)	\$ 175,707
(2)	Monthly Amount [(1) / 12]	\$	17,037	\$	(2,395)	\$ 14,642
20	009 Plan Project 25					
(3)	Monthly Amount (Expense/Revenue)	\$	755	\$	18.759	\$ 19,513
To	otal Beneficial Reuse - Generating Station				· · · · · · · · · · · · · · · · · · ·	 
(4)	Monthly Expense [(2) + (3)]	\$	17,792	\$	16,364	\$ 34,156
Be	eneficial Reuse in Base Rates					 
(5)	Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$ 681,243
(6)	Monthly Expense Amount [(5) / 12]	S	56,770	\$	-	\$ 56,770
(7) To	otal Generating Station Less Base Rates [(4) - (6)]	\$	(38,979)	\$	16,364	\$ (22,615)
(8)	Less 2009 Plan Project 25 [(7) - (3)]	\$	(39,733)		(2,395)	\$ (42,128)
	If Line (8) Greater than Zero, No Adjustment					
	If Line (8) Less than Zero, Adjustment for Base Rates					
Adjustm	ent for Base Rate Amount (to ES Form 2.60)	\$	(39,733)	\$	(2,395)	\$ (42,128)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 28,984,000	\$ 12,441,263	\$ 343,593	\$ 1,626,915	\$ 1,054,484	\$ 44,450,256	<b>T</b> \$	43,395,771	
Oct-13	21,182,850	8,367,792	(62,505)	1,091,313	\$25,601	\$ 31,405,051	\$	30,579,450	
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313	
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509	
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214	
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,22	
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010	
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026	
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718	
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215	
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613	
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	S	39,643,052	
for 12 Months Endi	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =							35,761,176	
			Surcharge for 12-months as ending with the Curren		onin =		\$	84,201,356 42.47%	

			GRO	OUP 2 (Net Revenues) - I	Kentucky Jurisdictional F	Cevenues		•
(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 S	32,150,317	\$ 17,745,080	\$ 652,703	S 490,355	\$ 1,257,234	\$ 52,295,689		**
Oct-13	31,850,165	18,832,731	(10,888)		1,383,951		\$ 51,091,660	
Nov-I3	26,823,811	15,566,471	197,892	359,705		\$ 44,182,807	<del></del>	
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,99
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,13
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,53
Mar-14	26,879,497	14,941,102	1,151,129	541,552	\$35,550	\$ 44,348,829	S 43,513,279	\$ 27,421,04
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,45
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,33
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,98
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	S 51,455,225	\$ 33,179,30
for 12 Months Ending	Current Expense Mon						\$ 48,440,180	
				ending with Current Mo	nth =		\$ 84,201,356	- 7998 (1975 MARGORE)
GROUP 2 Revenues a	as a Percentage of Tota	I Revenues for 12-month	is ending with the Currer	nt Month			57.53%	

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: August 31, 2014

		Revenues per Form 3.00	1	evenues per ome Statement
Kentuc	ky Retail Revenues	ronn 3.00	me	ome Statement
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 88,230,326	\$	88,230,326
(2)	Fuel Adjustment Clause	\$ 37,085	\$	37,085
(3)	DSM	\$ 2,830,867	\$	2,830,867
(4)	Environmental Surcharge		\$	3,244,450
(5)	CSR Credits		\$	(374,644)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 91,098,278		
Non -Ju	risdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 5,630,678	\$	5,630,678
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 5,630,678		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 96,728,956		<u>, , , , , , , , , , , , , , , , , , , </u>
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =	94.18%		
Reconc	iling Revenues	<u>.</u>		
(10)	Brokered	\$ -	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)	<del></del>	\$	<u>-</u>
(12)	Unbilled		\$	8,411,322
(13)	Miscellaneous		\$	1,604,223
(14)	Total Company Revenues per Income Statement =		\$	109,614,307

# Attachment to Response to Fueltion WE2(h) Page 1022 of 1183 OCT 1 7 20 pproy



PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

October 17, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of September 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of September 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 1,696,916
Group 1 ES Billing Factor ES Form 1.10, line 17	=	4.76%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	interes writer	\$ 2,329,937
Group 2 ES Billing Factor ES Form 1.10, line 17	=	7.52%

Effective Date for Billing: November billing cycle beginning October 29, 2014

Submitted by:

Title: Director, Rates

Date Submitted: October 17, 2014

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of September 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR		Beneficial Reuse Operating Expenses

			Environmental Compliance Plans					
(1) R	RB		_	\$	634,391,653			
(2) R	RB / 12		=	\$	52,865,971			
(3)	(ROR + (ROR - DR) (TR /	(1 - TR)))	=		10.43%			
(4) C	OE		=	\$	267,581			
(5) E	BAS		=	\$	2,720			
(6) E	BR		=	\$	(17,360)			
(7) E	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	5,761,422			

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	94.65%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 5,453,186
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,426,333
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 4,026,853

Calculation of Group Environmental Surcharge Billing Factors

			GROUP 1 (Total Revenue)		GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.14%		57.86%
(15)	Group E(m) [(13) x (14)]	==	\$	1,696,916	\$	2,329,937
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,647,579	\$	31,003,577
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		4.76%		7.52%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of September 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental C	Enviromental Compliance Plan					
Eligible Pollution Control Plant	\$ 19,316,024						
Eligible Pollution CWIP Excluding AFUDC	617,537,373						
Subtotal		\$	636,853,397				
Additions:							
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	91,739						
Cash Working Capital Allowance	199,242						
Subtotal		/	290,981				
Deductions:	[10] A. A. A. A. A. A. A. A. A. A. A. A. A.						
Accumulated Depreciation on Eligible Pollution Control Plant	859,558						
Pollution Control Deferred Income Taxes	1,893,167						
Subtotal			2,752,725				
Environmental Compliance Rate Base		\$	634,391,653				

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 118,605
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	69,026
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	
Total Pollution Control Operations Expense	\$ 267,581

**Determination of Beneficial Reuse Operating Expenses** 

	Env	ironmental
	Com	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	23,937
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(41,298)
Net Beneficial Reuse Operations Expense	\$	(17,360)

Proceeds From By-Product and Allowance Sales

110cccds F10m By-110dict and Anowance Sales		Total	A	mount in	Net
	P	roceeds	В	ase Rates	Proceeds
		(1)		(2)	(1) - (2)
Allowance Sales	\$	2,720	\$	-	\$ 2,720
Scrubber By-Products Sales		-		-	-
Total Proceeds from Sales	\$	2,720	\$	_	\$ 2,720

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: September 30, 2014

	<u> </u>	(2)	_	(3)	ī	(4)	 (5)	ī	(6)		(7)		(8)		(9)
Description		Eligible Plant In Service	-	Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC	Eligible Net Plant In Service		Deferred Tax Balance as of 9/30/2014	ITC A	Monthly Amortization Credit		Monthly Pepreciation Expense	P	Monthly roperty Tax Expense
							(2)-(3)+(4)								
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]															
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP) Project 24 - Trimble County CCP Storage (Landfill - Phase 1) Project 25 - Beneficial Reuse	\$ \$ \$	9,599,354 - 4,636,272	\$	647,483 - 207,860	\$	12,158,829 (79,542)	8,951,871 12,158,829 4,348,871	s	579,755 - 889,005			\$ \$ \$	19,647 - 9,504	\$	1,142 1,260 554
Subtotal Less Retirements and Replacement resulting from implementation of 2009 Plan	s	14,235,626 (365,982)		855,343 (202,574)	l	12,079,287	\$ 25,459,570 (163,408)		1,468,761 (63,566)			\$	<b>29,</b> 151 (775)		2,957 (20)
Net Total - 2009 Plan:	\$	13,869,644	\$	652,769	\$	12,079,287	\$ 25,296,162	\$	1,405,195			\$	28,376	\$	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ \$	5,446,380	\$ \$	206,790	5 \$	563,543,115 41,914,970	568,782,705 41,914,970		487,972 -			\$ \$	9,090	s s	37,757. 1,790
Subtotal Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	5,446,380	s s	206,790	s s	605,458,086	\$ 610,697,676	\$ \$	487,972			\$ \$	9,090	s s	39,547 -
Net Total - 2011 Plan:	\$	5,446,380	\$	206,790	\$	605,458,086	\$ 610,697,676	\$	487,972	\$	-	\$	9,090	\$	39,547
Net Total - All Plans:	\$	19,316,024	\$	859,558	\$	617,537,373	\$ 635,993,838	\$	1,893,167	\$		\$	37,467	S	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: September 30, 2014

Vintage Year	Nu	mber of Allowand	ces	Tot	al Dollar	Value Of Vintage	Year	Comments and Explanations
	$SO_2$	· NOx	NOx	$SO_2$	1	NOx	NOx	
		Annual	Ozone Season			Annual	Ozone Season	
Current Year	74,789	3,945	140	\$ 242.73	\$	99,526.97	\$ 3,840.74	
2015	62,379							
2016	62,379	_			1			
2017	62,379				]	·		
2018	62,379						, i	
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							·
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							,
2030	62,379				1			
2031	62,379				<u> </u>			
2032	62,379							
2033	62,379							
2034 - 2043	623,790				<u></u>			

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of September 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
							,
	ON ALLOWANCES	S IN INVENTORY					
Quantity	81,075	0	6,128			74,789	
Dollars	\$ 263.12	\$	\$ 19.88	\$ -	\$ 0.51	\$ 242.73	
\$/Allowance	- \$	\$ -	\$ -	-	-		
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	77,942	-	5,979		158	71,805	Sale of 158 allowances to KU for its share of the current month
Dollars	\$ 248.00	\$ -	\$ 19.40	\$ -	\$ 0.51	\$ 228.09	emission allowance expense.
Quantity	LLOWANCES FRO 3,133	-	149	· -	_	2,984	
Dollars		\$ -	\$ 0.48	\$ -	\$ -	\$ 14.64	
ATTOWNS	FROM PURCHAS					•	
	FROM FURCHAS	ES:			T	F	T
From Market:							
From Market: Quantity	-	-	-	- 2	-	-	
From Market: Quantity Dollars	- \$ -	- \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars	-	- \$ -			s -		
From Market: Quantity Dollars \$/Allowance	- \$ -	- \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance	- \$ -	- \$ -	\$ -	\$ -	\$ -	\$ -	
From Market: Quantity Dollars \$/Allowance From KU Quantity	- \$ - \$ -	- \$ - \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -	
From Market: Quantity Dollars \$/Allowance	\$ -	\$ - \$ -	\$ -	\$ - \$ -	\$ -	\$ - \$ -	
From Market: Quantity Dollars \$/Allowance From KU Quantity Dollars	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ - \$ - \$	\$ - \$ - \$ - \$ -	\$ - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of September 2014

	Beginning	Allocations/	Utilized	Utilized	T		Ending	Allocation, Purchase, or	
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold		Inventory	Sale Date & Vintage Years	
	Inventory	Fulchases	(Coai ruei) .	(Other Fuels)	3010		niventory	Sale Date & Village Tears	
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	ATIONS					
Quantity	182	1,400	1,384	6		52	140		
Dollars	\$ 0.27	\$ 43,400.00			S 1	16.61	\$ 3,840.74		
\$/Allowance	\$ -	\$ 31.00				27.24	\$ 27.43		
	L.:	<u> </u>	· :						
ALLOCATED ALLOWANCES FROM EPA: COAL FUEL									
Quantity	. 7	38	1,310	0		52	83	Sale of 52 allowances to KU for its share of the current month	
Dollars	\$ 0.01	\$ (3,758.17)	\$ 35,948.22	\$ -	\$ 1,	16.61		emission allowance expense. Ending Inventory includes	
								purchases from the market as shown below. Adjusted Ending	
								Inventory Dollars to reflect non-recoverable allowance value.	
ALLOCATED A	LLOWANCES FRO	M EPA: OTHER							
Quantity	175	(38)	74	6		-		Adjusted Ending Inventory to reflect non-recoverable allowance	
Dollars	\$ 0.26	\$ 3,758.17	\$ 2,030.10	\$ 164.60	\$	_	\$ 1,563.73	value.	
			, , , , , , , , , , , , , , , , , , , ,						
	FROM PURCHAS	ES:	·						
From Market:									
Quantity	0	1,400	. 0	0		0	0	Purchased 1,400 allowances from the market included in	
Dollars	\$ -	\$ 43,400.00		\$ -	\$	-	\$ -	Ending Inventory - Coal Fuel shown above	
\$/Allowance	-	\$ 31.00	\$ -	-	\$	-	\$ -		
		•							
From KU:									
Quantity	0	0	0	. 0		0	0.		
Dollars	\$ -	\$ -	\$ -	-	\$	-	\$ -		
\$/Allowance	\$		\$ -	-	\$		\$ -		
1									
								·	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of September 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	inventory	Purchases	(Coai ruei)	(Other ruess)	Solu	Inventory	Sale Date & Village Tears
TOTAL EMISSIO	ON ALLOWANCES	N INVENTARY	ALL CLASSIEIC	ATIONS			
Quantity	5,387	0	1,384	6	52	3,945	
Oollars	\$ 135,906.67		\$ 34,925.59				
MAllowance	\$ 25.23		\$ 25.24				
7 IIIO Wallec	25,25	ΙΨ	Ψ 25.24	1 4 23.23	25.05	25.25	
LLOCATED A	LLOWANCES FRO	M EPA: COAL F	UEL				
Quantity	4,899	-	1,310	-	52	3,537	Sale of 52 allowances to KU for its share of the current month
Dollars	\$ 123,595.09	\$ -	\$ 33,058.67	\$ -	\$ 1,302.74	\$ 89,233.68	emission allowance expense.
Quantity	488 \$ 12.311.58	_	74		<u> </u>	408 \$ 10.293.29	
Dollars	\$ 12,311.58	\$ -	\$ 1,866.92	\$ 151.37	S -	\$ 10,293.29	
ALLOWANCES rom Market:	FROM PURCHAS	ES:		· · · · · · · · · · · · · · · · · · ·	T		
Ouantity	0	0	0	0	0	0	
Dollars	s -	\$ -	\$ -	s -	s -	\$ -	
MAllowance	\$ -	\$ -	\$ -	\$ -	s -	\$ -	
	<u> </u>	1	I	I		1 -	
rom KU:							
Quantity	0	0	0	0	0		
Dollars	\$ -	\$ -	s -	\$ -	S -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	·#··· ··· · · · · · · · · · · · · · · ·	<u> </u>					

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 57,539					
10th Previous Month	94,439					
9th Previous Month	117,488					
8th Previous Month	245,407					
7th Previous Month	54,170					
6th Previous Month	152,321					
5th Previous Month	231,657					
4th Previous Month	155,157					
3rd Previous Month	140,820					
2nd Previous Month	140,030					
Previous Month	103,661					
Current Month	101,245					
Total 12 Month O&M	\$ 1,593,933					

Determination of Working Capital Allowance							
12 Months O&M Expenses	\$	1,593,933					
One Eighth (1/8) of 12 Month O&M Expenses		1/8					
Pollution Control Cash Working Capital Allowance	\$	199,242					

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: September 30, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		[ · ]	
512107 - ECR Landfill Maintenance			
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	<del>-</del>	_	<u> </u>
Net 2009 Plan O&M Expenses		· -	
2011 Plan 502056 - ECR Scrubber Operations			-
512055 - ECR Scrubber Operations 512055 - ECR Scrubber Maintenance	-		<u>-</u>
506159 - ECR Sorbent Injection Operation	_	19,455	19,455
506152 - ECR Sorbent Reactant - Reagent Only	_	99,150	99,150
512152 - ECR Sorbent Injection Maintenance	-	-	· · · · · · · · · · · · · · · · ·
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	-	-	-
506151 - ECR Activated Carbon	-	-	_
Adjustment for Base Rates Baseline Amounts	-	· .	-
Total 2011 Plan O&M Expenses	_	118,605	118,605
Current Month O&M Expense for All Plans		\$ 118,605	\$ 118,605

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: September 30, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense $[(2) + (3)]$	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: September 30, 2014

Third Party	O&M Expense Account	Plant	To	tal O&M		
Tarry	Ocen Expense recount	1 Iuni	10	tai Occivi		
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	3,630		
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	9,807		
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	10,501		
		*** ** *******************************				
Total Monthly Benefic	ial Reuse Expense		\$	23,937		
				(41,298)		
	Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)					
Net Beneficial Reuse (	0&M Expense		\$	(17,360)		

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: September 30, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimb	le County		Total
Fire D. Cills O. Aris (D. 2000 Pl. D. Aris)						
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	212,352	\$	(26,682)		185,670
(2) Monthly Amount [(1) / 12] .	. \$	17,696	\$	(2,224)	\$	15,473
2009 Plan Project 25					***	
(3) Monthly Amount (Expense/Revenue)	\$	10,501	\$	13,436	\$	23,937
Total Beneficial Reuse - Generating Station			***************************************			
(4) Monthly Expense [(2) + (3)]	\$	28,197	\$	11,213	\$	39,410
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	_	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(28,573)	\$	11,213	\$	(17,360)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(39,074)		(2,224)	\$	(41,298)
If Line (8) Greater than Zero, No Adjustment		Annual Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the Control of the				
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$	(39,074)	S	(2,224)	\$	(41,298)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	]	Total Excluding Environmental Surcharge
<del> </del>		,				(2)+(3)+(4)+(5)+(6)	<u> </u>	(7)-(6)
Oct-13		\$ 8,367,792	\$ (62,505)		\$ 825,601	\$ 31,405,051	\$	30,579,450
Nov-13	18,718,988	7,105,505	110,038	924,782	754,876	\$ 27,614,190	\$	26,859,313
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.								35,647,579
		X		ending with Current Mo	onth =		\$	84,588,379
GROUP I Revenue	s as a Percentage of Tota	I Revenues for 12-month	is ending with the Currer	nt Month			1	42.14%

	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	\$ 31,850,165	\$ 18,832,731	\$ (10,888)	\$ 419,652	\$ 1,383,951		\$ 51,091,660			
Nov-13		15,566,471	197,892	359,705	1,234,929					
Dec-13		15,407,441	(390,278)		1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991		
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136		
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522		
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049		
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450		
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994		
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337		
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984		
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305		
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821		
for 12 Months Endi	urisdictional Revenues, E ng Current Expense Mon Jurisdictional Revenues a	th.		ending with Current Mo	onth —		\$ 48,940,800 \$ 84,588,379	\$ 31,003,577		
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =  GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month									

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: September 30, 2014

	T	Revenues per	R	evenues per
	Form 3.00		Inc	ome Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	95,547,854	\$	95,547,854
(2) Fuel Adjustment Clause	\$	524,657	\$	524,657
(3) DSM	\$	3,005,987	\$	3,005,987
(4) Environmental Surcharge			\$	3,235,472
(5) CSR Credits			\$	(370,816)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	99,078,498		
·				*****
Non -Jurisdictional Revenues				
(7) InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	5,605,164	\$	5,605,164
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	5,605,164		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	104,683,662		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		94.65%		
Reconciling Revenues				
(10) Brokered	\$	_	\$	
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	~
(12) Unbilled			\$	(14,369,385)
(13) Miscellaneous			\$	1,438,692
(14) Total Company Revenues per Income Statement =			\$	94,617,624

NOV 2 1 2014



Louisville Gas and

Electric Company

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

220 West Main Street

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

November 21, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of October 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

#### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of October 2014

#### GROUP 1 (Total Revenue)

Group 1 E(m) ES Form 1.10, line 15	==	\$ 1,941,067
Group 1 ES Billing Factor ES Form 1.10, line 17	=	5.46%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 2,675,026
Group 2 ES Billing Factor ES Form 1.10, line 17	=	8.63%

Effective Date for Billing: December billing cycle beginning December 1, 2014

Submitted by

Title: Director, Rates

Date Submitted: November 21, 2014

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of October 2014

#### Calculation of Total E(m)

E(m) =	[(RB / 12) (ROR+	(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
	RB	=	Environmental Compliance Rate Base
	ROR	=	Rate of Return on the Environmental Compliance Rate Base
	DR	=	Debt Rate (both short-term and long-term debt)
	TR	==	Composite Federal & State Income Tax Rate
	OE	==	Pollution Control Operating Expenses
	BAS	=	Total Proceeds from By-Product and Allowance Sales
	BR	=	Beneficial Reuse Operating Expenses

			Environmental ompliance Plans	
(1) RB		=	\$	677,572,522
(2) RB / 12		=	\$	56,464,377
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	=		10.43%
(4) OE		=	\$	222,971
(5) BAS		=	\$	1,227
(6) BR		=	\$	(30,484)
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	6,080,495

Calculation of Adjusted Net Jurisdictional E(m)

011	rajustea Net Gallisatemonal E(m)		 
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	94.92%
(9)	Jurisdictional $E(m) = Total E(m) \times Jurisdictional Allocation Ratio [(7) x (8)]$	=	\$ 5,771,606
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,155,513
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 4,616,093
1			i

Calculation of Group Environmental Surcharge Billing Factors

			GROUP	1 (Total Revenue)	GROU	P 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.05%		57.95%
(15)	Group E(m) [(13) x (14)]	=	\$	1,941,067	\$	2,675,026
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,539,224	\$	31,001,964
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		5,46%		8.63%

## LOUISVILLE GAS AND ELECTRIC 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	\$ 19,316,024
Eligible Pollution CWIP Excluding AFUDC	660,801,315
Subtotal	\$ 680,117,339
Additions:	
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	62,760
Cash Working Capital Allowance	202,647
Subtotal	265,407
Deductions:	
Accumulated Depreciation on Eligible Pollution Control Plant	897,800
Pollution Control Deferred Income Taxes	1,912,424
Subtotal	2,810,224
Environmental Compliance Rate Base	\$ 677,572,522

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 115,269
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	27,752
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 222,971

Determination of Beneficial Reuse Operating Expenses

	Environmental Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 15,30
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(45,84
Net Beneficial Reuse Operations Expense	\$ (30,4)

Proceeds From By-Product and Allowance Sales

	Total	Am	ount in	Net
	 roceeds	Bas	e Rates	Proceeds
<del>-</del>	(1)		(2)	(1) - (2)
Allowance Sales	\$ 1,227	\$	-	\$ 1,227
Scrubber By-Products Sales	-		_	-
Total Proceeds from Sales	\$ 1,227	\$	-	\$ 1,227

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: October 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	Deferred Tax Balance as of 10/31/2014	Monthly ITC Amortization Credit	Monthly Depreciation Expense	Monthly Property Tax Expense
				(2)-(3)+(4)				
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]								
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$ 9,599,354	\$ 667,130	s -	\$ 8,932,224	\$ 591,350	i	\$ 19,647	\$ 1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$ -	\$ -	\$ 12,329,243				\$ -	\$ 1,260
Project 25 - Beneficial Reuse	\$ 4,636,272	\$ 217,364	\$ (79,542)	\$ 4,339,366	\$ 890,829		\$ 9,504	\$ 554
Subtotal	\$ 14,235,626	\$ 884,494	\$ 12,249,701	\$ 25,600,834	\$ 1,482,179		\$ 29,151	\$ 2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$ (365,982)	\$ (202,574)	s -	\$ (163,408)	\$ (63,566)		<b>\$</b> (775)	\$ (20)
Net Total - 2009 Plan:	\$ 13,869,644	\$ 681,920	\$ 12,249,701	\$ 25,437,426	\$ 1,418,613	<u> </u>	\$ 28,376	\$ 2,936
					ļ			
2011 Plan: Project 26 - Mill Creek Station Air Compliance	\$ 5,446,380	\$ 215,880	\$ 600,735,540	\$ 605,966,040	\$ 493,811		\$ 9,090	\$ 37,757
Project 27 - Trimble County Unit 1 Air Compliance	\$ -	\$ 215,560	\$ 47,816,074				\$ -	\$ 1,790
Subtotal	\$ 5,446,380	\$ 215,880	\$ 648,551,614	\$ 653,782,114	\$ 493,811		\$ 9,090	\$ 39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	s -	\$ -	s -	s -	s -		s -	s -
Net Total - 2011 Plan:	\$ 5,446,380	\$ 215,880	\$ 648,551,614	\$ 653,782,114	\$ 493,811	S -	\$ 9,090	\$ 39,547
Net Total - All Plans:	\$ 19,316,024	\$ 897,800	\$ 660,801,315	\$ 679,219,539	\$ 1,912,424	1 9	\$ 37,467	\$ 42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: October 31, 2014

Vintage Year	Nun	nber of Allowan	ces	Tot	al Doll	ar Value Of Vintage	Yea	Г	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx		NOx	
		Annual	Ozone Season		İ	Annual	1	Ozone Season	
Current Year	69,505	2,726	140	\$ 225.58	\$	68,773.26	\$	3,840.74	
2015	62,379						$\Gamma$		
2016	62,379								
2017	62,379					4			
2018	62,379				j				
2019	62,379								
2020	62,379								
2021	62,379		•		<u> </u>		1		
2022	62,379								
2023	62,379								
2024	62,379				<u> </u>				
2025	62,379						_		
2026	62,379				<u> </u>				
2027	62,379				1				
2028	62,379								
2029	62,379								
2030	62,379								
2031	62,379				ļ				
2032	62,379								
2033	62,379								
2034 - 2043	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of October 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)		Utilized (Other Fuels)	Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTOR	Y. ALL CLASSI	FICATI	TONS				
Quantity	74,789			02	0	182	$\top$	69,505	
Dollars	\$ 242.73			56 \$		\$ 0.59		225.58	
\$/Allowance	\$ -	\$ -	\$ -		-	\$ -	\$	_	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL	FUEL						
Quantity	71,805			52		182	T	66,671	Sale of 182 allowances to KU for its share of the current month
Dollars	\$ 228.09			.07 \$		\$ 0.59			emission allowance expense.
	1					7	1		
4	LY OWANGEG ED	OM EDA OTUE	NATION O						
Quantity	LLOWANCES FR 2,984 \$ 14.64		1	50 49 \$		- \$	\$	2,834 14.15	
Quantity Dollars	2,984 \$ 14.64	\$	1				\$		
Quantity Dollars  ALLOWANCES	2,984	\$	1				\$		
Quantity Dollars  ALLOWANCES From Market:	2,984 \$ 14.64	\$	1	49 \$			\$		
Quantity Dollars  ALLOWANCES From Market: Quantity	2,984 \$ 14.64 FROM PURCHAS	\$	\$ 0.	49 \$	-	\$	\$		
Quantity Dollars	2,984 \$ 14.64 FROM PURCHAS	- \$ - ·	\$ 0.	49 \$	-	\$ -		14.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,984 \$ 14.64 FROM PURCHAS	ES: - \$ -	\$ 0.	49 \$	-	\$ - \$ -	\$_	14.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,984 \$ 14.64 FROM PURCHAS	ES: - \$ -	\$ 0.	49 \$	-	\$ - \$ -	\$_	14.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance From KU Quantity	2,984 \$ 14.64 FROM PURCHAS	ES:	\$ 0.	49 \$	- - - -	\$ - \$ - \$ -	\$ \$	14.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	2,984 \$ 14.64 FROM PURCHAS	ES: - \$ - \$ - \$	\$ 0.	49 \$		\$ - \$ - \$ -	\$_	14.15	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of October 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
<u>_</u>	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL FAMICEL	ON ATTOMICANION	O KNI INIKIDANDANA	ALL CLACCIES	LATIONIC			
	ON ALLOWANCES					140	<del></del>
Quantity	140	0	0	0	_		
Dollars	\$ 3,840.74		\$ -	\$ -	\$ -	\$ 3,840.74	
\$/Allowance	\$ 27.43	] \$	\$ -	S -	-	\$ 27.43	
ALLOCATED A	LLOWANCES FRO	M EDAL COAL E	ttet				
Quantity	83	-	-	0	T 0	83	
Dollars	S 2,277.01	\$ -	\$ -	\$ -	\$ -	\$ 2,277.01	
	5 2,211.51	, "			1	2,271.01	
Quantity Dollars	\$ 1,563,73	- \$ -	\$ -	- S -	- \$ -	\$ 1,563.73	
	FROM PURCHAS	ES:					
rom Market:	ļ .						
Quantity	0	0	0	0		+ <del></del>	<u>-</u>
	[ S -	[ \$ -	- 21	S -			
Dollars			9	<u> </u>		\$	
Dollars B/Allowance	\$ -	\$ -	\$ -	S -	\$ -	\$ -	
8/Allowance				<u> </u>			
F/Allowance From KU:	\$ -	\$ -	\$ -	S -	-	\$ -	
S/Allowance From KU: Quantity	\$ -	\$ -	\$ -	S -	- 0	0	
F/Allowance From KU:	\$ -	\$ -	\$ -	S -	-	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of October 2014

	Begini		Allocations/		tilized	Utilized	T		Ending	Allocation, Purchase, or
	Invent	ory	Purchases	(Coa	al Fuel)	(Other Fuels)	<u> </u>	Sold	Inventory	Sale Date & Vintage Years
	ON ALLOW		IN INVENTORY	, ALL C		ATIONS				<u> </u>
Quantity		3,945	0		1,167	3		49	2,726	
Dollars	\$ 99	,526.97	\$ -	\$		\$ 75.69		1,226.11	\$ 68,773.26	
\$/Allowance	\$	25.23	\$ -	\$	25.24	\$ 25.23	\$	25.02	\$ 25.23	
	LLOWANC		M EPA: COAL F	UEL						
Quantity		3.537	-		1.099			49		Sale of 49 allowances to KU for its share of the current month
Dollars	\$ 89	,233.68	\$ -	\$	27,736.36	\$ -	\$	1,226.11	\$ 60,271.21	emission allowance expense.
	1									
	1			•						
	LLOWANC		M EPA: OTHER	FUELS	40.1			-		
Quantity		408	-		68			-	337	
			-	FUELS \$	68 1,715.55				\$ 8,502.05	
Quantity		408	-							
Quantity Dollars	\$ 10	408	\$ -							
Quantity Dollars ALLOWANCES	\$ 10	408	\$ -							
Quantity Dollars  ALLOWANCES From Market:	\$ 10	408	\$ -				S	-		
Quantity Dollars ALLOWANCES	\$ 10	408 293.29 RCHASI	- \$ -	\$	1,715.55	\$ 75.69	S		\$ 8,502.05	
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 10	408 293.29 RCHASI	\$ - \$ - 2S:		1,715.55	\$ 75.69	S	- 0	\$ 8,502.05	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 10	408 293.29 RCHASI 0	- \$ - ES:	\$	1,715.55	\$ 75.69 ( \$ -	\$	0	\$ 8,502.05	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	\$ 10	408 293.29 RCHASI 0	- \$ - ES:	\$	1,715.55	\$ 75.69 ( \$ -	\$	0	\$ 8,502.05	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	\$ 10	408 293.29 RCHASI 0	- \$ - ES:	\$	1,715.55	\$ 75.69 ( \$ -	\$ \$	0	\$ 8,502.05	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	\$ 10	408 293.29 RCHASI	SS: 0 S - S -	\$	0 -	\$ 75.69	\$ \$	0 -	\$ 8,502.05	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: October 31, 2014

Environmental Compliance Plan						
O&M Expenses		Amount				
11th Previous Month	\$	94,439				
10th Previous Month		117,488				
9th Previous Month		245,407				
8th Previous Month		54,170				
7th Previous Month		152,321				
6th Previous Month		231,657				
5th Previous Month		155,157				
4th Previous Month		140,820				
3rd Previous Month		140,030				
2nd Previous Month		103,661				
Previous Month		101,245				
Current Month		84,785				
Total 12 Month O&M	\$	1,621,179				

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,621,179						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	202,647						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: October 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
and pl			
2009 Plan			
502013 - ECR Landfill Operations			
512107 - ECR Landfill Maintenance		-	·
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)	1		-
Net 2009 Plan O&M Expenses			
502056 - ECR Scrubber Operations			
512055 - ECR Scrubber Maintenance	_	_	<del></del>
506159 - ECR Sorbent Injection Operation	-	11,138	11,138
506152 - ECR Sorbent Reactant - Reagent Only	- 1	96,873	96,873
512152 - ECR Sorbent Injection Maintenance	-	7,258	7,258
506156 - ECR Baghouse Operations	-	-	
512156 - ECR Baghouse Maintenance	-	-	
506151 - ECR Activated Carbon	-	-	
Adjustment for Base Rates Baseline Amounts	-		
Total 2011 Plan O&M Expenses	-	115,269	115,269
Current Month O&M Expense for All Plans	\$	\$ 115,269   \$	115,26

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: October 31, 2014

On-Site CCP Disposal O&M Expense	Trimbl	e County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		
(1) 12 Months Ending with Expense Month	\$	
(2) Monthly Amount [(1) / 12]	\$	-
2009 Plan Project		
(3) Monthly Expense	\$	-
Total Generating Station		
(4) Monthly Expense $[(2) + (3)]$	\$	-
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	-
(6) Monthly Expense Amount [(5) / 12]	\$	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	
(8) Less 2009 Plan Project [(7) - (3)]	\$	-
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	I	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: October 31, 2014

Third Party	O&M Expense Account	Plant	Total O&M		
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	8,543	
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	3,736	
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	3,085	
Total Monthly Benefic	ial Reuse Expense		\$	15,364	
Adjustment for Benefi	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(45,847)	
Net Beneficial Reuse (	0&M Expense		\$	(30,484)	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: October 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County		Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	155,174	\$	(24,101)	\$	131,074
(2) Monthly Amount [(1) / 12]	\$	12,931	\$	(2,008)		10,923
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	3,085	\$	12,279	\$	15,364
Total Beneficial Reuse - Generating Station						<u> </u>
(4) Monthly Expense [(2) + (3)]	\$	16,016	\$	10,270	\$	26,286
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$		\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(40,754)	\$	10,270	\$	(30,484)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(43,839)	\$ .	(2,008)	\$	(45,847)
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)	\$	(43,839)	\$	(2,008)	\$	(45,847)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) fur 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-fucl 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	\$ 18,718,988	\$ 7,105,505	\$ 110,038	\$ 924,782	\$ 754,876	S 27,614,190	\$	26,859,313	
Dec-13	23,430,328	9,360,384	(291,845)	1,236,642	1,001,764	\$ 34,737,274	\$	33,735,509	
Jan-14	27,768,725	11,525.496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214	
Feb-14	25,877.790	10.555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221	
Mar-14	22,710,262	8.953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010	
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026	
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718	
Jun-14	25,845,062	10.332.508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215	
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613	
Aug-14	26,635,380	10,918,510	(75.838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052	
Sep-14	27,924,339	11.572.341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610	
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186	
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =								
		Revenues for 12-month			)nu =		\$	84,509,368 42.05%	

	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 Revennes	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge  (7)-(6)	Total Non-Fuel Revennes plus DSM (2)+(5)		
Nov-13	\$ 26,823,811	\$ 15,566,471	\$ 197,892	\$ 359,705	\$ 1,234,929	\$ 44,182,807		\$ 27,183,516		
Dec-13	27,007,128	15,407,441	(390,278)	396,863	1,303,150	\$ 43,724,304	\$ 42,421,155	\$ 27,403,991		
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648	\$ 49,276,608	\$ 47,581,960	\$ 30,143,136		
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522		
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049		
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	. \$ 43,348,547	\$ 27,166,450		
May-14	31,038,295	17,114,221	983,142	582,699	1,149.099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994		
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337		
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1.741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984		
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305		
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821		
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461		
for 12 Months Endin	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =									
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =  GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month									
GROOP 2 Revenues	as a refueillage of Tota	ii Kevenues for 12-monu	is ending with the Curren	It IVIOIIII			57.95%			

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: October 31, 2014

			Revenues per	ı	evenues per
IZ a - tural	les Datail Danassa		Form 3.00	Inco	me Statement
	ky Retail Revenues	\$	79 400 470	\$	79 402 470
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	1	78,423,470	<u> </u>	78,423,470
(2)	Fuel Adjustment Clause	\$	200,697	\$	200,697
(3)	DSM	\$	2,098,815	\$	2,098,815
(4)	Environmental Surcharge	<u> </u>		\$	2,938,417
(5)	CSR Credits		·	\$	(494,405)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	80,722,983		
Non -Ju	risdictional Revenues				
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	4,316,414	\$	4,316,414
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	4,316,414		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	85,039,397		
	Jurisdictional Allocation Ratio for Current Month $[(5)/(8)] =$		94.92%		
Reconc	iling Revenues				
(10)	Brokered	\$	-	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	
(12)	Unbilled			\$	(7,246,020)
(13)	Miscellaneous			\$	1,461,348
(14)	Total Company Revenues per Income Statement =			\$	81,698,737

Louisville Gas and

**Electric Company** 

PO Box 32010

www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

State Regulation and Rates 220 West Main Street

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

DEC 19 2014





Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

December 19, 2014

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of November 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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,

Robert M. Conroy

**Enclosures** 

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of November 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 2,029,171
Group 1 ES Billing Factor ES Form 1.10, line 17	=	5.71%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 2,771,328
Group 2 ES Billing Factor ES Form 1.10, line 17	==	8,99%

Effective Date for Billing: January billing cycle beginning December 31, 2014

Title: Director, Rates

Date Submitted: December 19, 2014

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of November 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12) (	(ROR+(RC	(R - 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			\$ 718,625,020
(2)	RB / 12		Notice quinty	\$ 59,885,418
(3)	(ROR + (ROR - DI	R) (TR / (1 - TR)))	=	10.43%
(4)	OE		2007	\$ 209,730
(5)	BAS		=	\$ 3,493
(6)	BR		=	\$ (19,368)
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 6,432,918

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	89.57%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	==	\$ 5,761,965
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 961,466
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	=	\$ 4,800,499

Calculation of Group Environmental Surcharge Billing Factors

			GROU	P 1 (Total Revenue)	GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.27%		57.73%
(15)	Group E(m) [(13) x (14)]	==	\$	2,029,171	\$	2,771,328
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,557,316	\$	30,830,287
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		5.71%		8,99%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of November 2014

**Determination of Environmental Compliance Rate Base** 

	Enviromental (	Compliance Plan
Eligible Pollution Control Plant	\$ 19,316,024	
Eligible Pollution CWIP Excluding AFUDC	701,945,945	
Subtotal		\$ 721,261,969
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	29,910	
Cash Working Capital Allowance	200,865	
Subtotal		230,775
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	936,041	
Pollution Control Deferred Income Taxes	1,931,683	
Subtotal		2,867,724
Environmental Compliance Rate Base		\$ 718,625,020

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 99,545
Monthly Depreciation & Amortization Expense	37,467
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	30,235
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	<u> </u>
Total Pollution Control Operations Expense	\$ 209,730

**Determination of Beneficial Reuse Operating Expenses** 

	Environmental
	Compliance Plan
Total Monthly Beneficial Reuse Expense	\$ 32,345
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(51,713)
NAP C'IP O C'IP	(10.268)
Net Beneficial Reuse Operations Expense	\$ (19,368)

Proceeds From By-Product and Allowance Sales

Froceeds From By-Froduct and Anowance Sales						
		Total	Am	ount in		Net
	P	roceeds	Bas	e Rates	F	Proceeds
		(1)		(2)		(1) - (2)
Allowance Sales	\$	3,493	\$		\$	3,493
Scrubber By-Products Sales		<b>-</b> ·		-		-
Total Proceeds from Sales	\$	3,493	\$	-	\$	3,493

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: November 30, 2014

(1)	T	(2)		(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 11/30/2014	Monthly ITC Amortization Credit	1	Monthly Depreciation Expense	F	Monthly Property Tax Expense
								(2)-(3)+(4)			,				
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]				-											
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354	i .	686,776		·	\$	8,912,578		602,946		\$	19,647	\$	1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$		S	-	\$	12,509,106		12,509,106		-		\$	-	\$	1,260 554
Project 25 - Beneficial Reuse	12	4,636,272	2	226,868	3	(79,542)	3	4,329,862	3	892,652		2	9,504	3	554
Subtotal	s	14,235,626	\$	913,645	\$	12,429,564	\$	25,751,545	\$	1,495,598		\$	29,151	\$	2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	(365,982)	\$	(202,574)	\$	-	\$	(163,408)	\$	(63,566)		\$	(775)	\$	(20)
Net Total - 2009 Plan:	\$	13,869,644	\$	711,070	\$	12,429,564	S	25,588,137	\$	1,432,032		\$	28,376	\$	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ \$	5,446,380	s s	224,970 -	s s	633,860,803 55,655,578		639,082,213 55,655,578		499,650 -		\$	9,090	\$ \$	37,757 1,790
Subtotal	\$	5,446,380	\$	224,970	\$	689,516,381	\$	694,737, <b>7</b> 91	\$	499,650		\$	9,090	\$	39,547
Less Retirements and Replacement resulting from implementation of 2011 Plan	s	-	s	-	\$	-	s	-	s	-		S	. <del>-</del>	\$	-
Net Total - 2011 Plan:	\$	5,446,380	\$	224,970	\$	689,516,381	\$	694,737,791	\$	499,650	\$ -	S	9,090	\$	39,547
															****
Net Total - All Plans:	\$	19,316,024	\$	936,041	\$	701,945,945	\$	720,325,928	\$	1,931,683	\$ -	\$	37,467	\$	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: November 30, 2014

Vintage Year	Nui	mber of Allowand	ces	Tot	al Dollar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂	NOx	NOx	
		Annual	Ozone Season		Annual	Ozone Season	
Current Year	63,365	1,364	51	\$ 205.65	\$ 34,411.86	\$ 1,399.13	
2015	62,379						
2016	62,379						· ·
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379	,					
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034 - 2043	623,790						

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of November 2014

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending	Allocation, Purchase, or Sale Date & Vintage Years
	1 Hivemory	I Furchases	(Coarruel)	(Outer rueis)	l Soin	Inventory	Sale Date & village 1 ears
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	69,505	0	5,947	0	193	63,365	5
Dollars	\$ 225.58	\$ -	\$ 19.30	\$ -	\$ 0.63	\$ 205.65	5
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED AI	LOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	66,671	-	5,802		193	60,670	Sale of 193 allowances to KU for its share of the current month
Dollars	\$ 211.43	\$ -	\$ 18.83	\$ -	\$ 0.63	\$ 191.9	7 emission allowance expense.
ALLOCATED AI Quantity Dollars	2,834 \$ 14.15	-	FUELS 145 \$ 0.47	- \$ -	\$ -	2,689 \$ 13.68	
ALLOWANCES I	FROM PURCHAS	ES:					
Quantity	_	_				<u> </u>	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	<u>s</u> -	
	1 -	1 7	1 -	1 -	1 -	1	
From KU					I		
Quantity	-	_	-	_		-	
Dollars	S -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	s -	\$ -	s -	
					·		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of November 2014

	Beginning	Allocations/	Utilized	Utilized	,	Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS	-		
Quantity	140	(17)	0	0	72	51	
Dollars	\$ 3,840.74	\$ (466,38)	\$ -	\$ -	\$ 1,975.23	\$ 1,399.13	
\$/Allowance	\$ 27.43		\$	\$ -	\$ 27.43		
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	83	32	(2)	0	72	45	Ending Inventory reflects sale of 72 allowances to KU,
Dollars	\$ 2,277.01	\$ 877.88			\$ 1,975.23		transfer of allowances from CTs, and true-up with IMEA/
							IMPA of 2 allowances utilized during 2014 ozone season.
ALLOCATED A	LLOWANCES FRO	M EPA: OTHER	FUELS	<b></b>			
ALLOCATED A Quantity Dollars	LLOWANCES FRO 57 \$ 1,563.73	(49)	2	- S -	\$ -	6 \$ 164.61	
Quantity Dollars ALLOWANCES	57	(49) \$ (1,344.26)	2				
Quantity Dollars  ALLOWANCES From Market;	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES:	\$ 54.86	S -	S -	\$ 164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES:	\$ 54.86	S -	\$ -	\$ 164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES: 0 \$ -	2 \$ 54.86	S - 0 \$ -	\$ - 0 \$ -	\$ 164.61 0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES:	\$ 54.86	S -	\$ -	\$ 164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES: 0 \$ -	2 \$ 54.86	S - 0 \$ -	\$ - 0 \$ -	\$ 164.61 0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	57 \$ 1,563.73 FROM PURCHAS	(49) \$ (1,344.26) ES: 0 \$ -	2 \$ 54.86	S - 0 \$ -	S - 0 S - S -	\$ 164.61 0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	57 \$ 1,563.73 FROM PURCHAS 0 5 -	(49) \$ (1,344.26) ES: 0 \$ - \$ -	2 \$ 54.86	S - 0 S - S S	S - 0 S - S -	\$ 164.61 0 \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of November 2014

		inning entory	Allocations/ Purchases		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI			S IN INVENTOR				`	<u></u>	30.2		<u> </u>	Julia Data de l'Antige Astalo
Quantity		2,726	0	)	1,281		21		60		1,364	
Dollars	\$	68,773.26	\$ -	\$	32,314.29	\$	529.80	\$	1,517.31	\$	34,411.86	
\$/Allowance	\$	25.23	\$ -	\$	25.23	\$	25.23	\$	25.29	\$	25.23	
ALLOCATED A	LLOWAI	NCES FRO	OM EPA: COAL I	FUEL								
Quantity		2,389	-		1,200		-		60		1,129	Sale of 60 allowances to KU for its share of the current month
Dollars	\$	60,271.21	\$ -	\$	30,270.77	\$	-	\$	1,517.31	\$	28,483.13	emission allowance expense.
	LLOWAN	NCES FRO	M EPA: OTHER	RFUE	ELS 81	1	21	т—	-,,		225	
Quantity	<b>S</b>		<u> </u>	-		-	520.80	-	-	\$	235	
Dollars	13	8,502.05	\$ -	\$	2,043.52	15	529.80	\$		3	5,928.73	
ALLOWANCES From Market:	FROM P	URCHASI	ES:			1		т				
Quantity	<u> </u>	0	0		0	┼	0	╁	0		0	
Dollars	\$		\$ -	\$		\$	<u>U</u>	\$		\$		
\$/Allowance	\$		\$ -	\$		\$		\$		\$		
p/Allowallet	Τ.Ψ			1.9		1 3		1 4	<del>-</del>	۰	<u>-</u>	
From KU:	1			1		Г		1				
Ouantity	<b> </b>	0	C	1	0	<del>                                     </del>	0	<b>†</b>	0			
Dollars	\$		\$ -	\$		\$	-	\$		\$	_	
	\$	_	\$ -	1		\$		\$	_	\$		
\$/Allowance												
\$/Allowance	1 3		9	1.		1 -						

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: November 30, 2014

Environmental Compl	iance Plan	
O&M Expenses		Amount
11th Previous Month	\$	117,488
10th Previous Month		245,407
9th Previous Month		54,170
8th Previous Month		152,321
7th Previous Month		231,657
6th Previous Month		155,157
5th Previous Month		140,820
4th Previous Month		140,030
3rd Previous Month		103,661
2nd Previous Month		101,245
Previous Month		84,785
Current Month		80,176
Total 12 Month O&M	\$	1,606,916

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,606,916						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	200,865						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: November 30, 2014

		T T	
O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations	_ was first to be a first to be	-	-
512107 - ECR Landfill Maintenance		- [	•
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	=
Net 2009 Plan O&M Expenses			-
		,	
2011 Plan			
502056 - ECR Scrubber Operations	-	And the second second	-
512055 - ECR Scrubber Maintenance	-		
506159 - ECR Sorbent Injection Operation	-	10,133	10,133
506152 - ECR Sorbent Reactant - Reagent Only	_	73,352	73,352
512152 - ECR Sorbent Injection Maintenance	-	16,059	16,059
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	_	-	-
506151 - ECR Activated Carbon	_	-	-
Adjustment for Base Rates Baseline Amounts	-	B. Brander Jan Branning 180	
Total 2011 Plan O&M Expenses	-	99,545	99,545
Current Month O&M Expense for All Plans	- \$	\$ 99,545   \$	99,545

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: November 30, 2014

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
	- \$
<u>, , , , , , , , , , , , , , , , , , , </u>	
(2) Monthly Amount [(1) / 12]	- \$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: November 30, 2014

Third Party	O&M Expense Account	Plant	То	otal O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	11,682
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	10,067
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	10,596
Track the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to the track to	'1D T		1.6	20.245
Total Monthly Benefic	1al Reuse Expense		\$	32,345
	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(51,713)
Net Beneficial Reuse (	0&M Expense		\$	(19,368)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: November 30, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble	County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	82,230	\$	(21,546)	\$ 60,684
(2) Monthly Amount [(1) / 12]	\$	6,853	\$	(1,796)	\$ 5,057
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	10,596	\$	21,749	\$ 32,345
Total Beneficial Reuse - Generating Station					 
(4)   Monthly Expense [(2) + (3)]	\$	17,449	\$	19,953	\$ 37,402
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(39,322)	\$	19,953	\$ (19,368)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(49,918)	\$	(1,796)	\$ (51,713)
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)	\$	(49,918)	\$	(1,796)	\$ (51,713)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)											
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	E	Total Excluding Environmental Surcharge (7)-(6)				
Dec-13	\$ 23,430,328	\$ 9,360,384	\$ (291,845)	\$ 1,236,642	\$ 1,001,764	\$ 34,737,274	\$	33,735,509				
Jan-14	27,768,725	11,525,496	60,134	1,843,859	1,458,133	\$ 42,656,348	\$	41,198,214				
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221				
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010				
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026				
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718				
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215				
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613				
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052				
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610				
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186				
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424				
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.											
				s ending with Current Mo	onth =		\$	84,129,266				
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-montl	as ending with the Curre	nt Month			<u> </u>	42.27%				

	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 3	\$ 27,007,128	\$ 15,407,441	\$ (390,278)	\$ 396,863	\$ 1,303,150	the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the s		\$ 27,403,991				
Jan-14	29,537,445	17,452,792	(13,969)	605,691	1,694,648							
Feb-14	30,092,354	17,742,066	864,943	570,168	1,646,347		\$ 49,269,531					
Mar-14	26,879,497	14.941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049				
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450				
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994				
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337				
Jul-14	- 33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984				
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305				
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821				
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461				
Nov-14	24,607,043	13,022,790	23,355	516,356	1,872,610	\$ 40,042,155	\$ 38,169,545	\$ 25,123,399				
for 12 Months Ending	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.											
		excluding Environmental			onth =	14	\$ 84,129,266	polytechnology in 12				
GROUP 2 Revenues	as a Percentage of Tota	il Revenues for 12-month	s ending with the Currer	nt Month			57.73%					

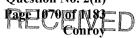
**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: November 30, 2014

-		Revenues per	i	evenues per
		Form 3.00	Inco	me Statement
Kentuc	ky Retail Revenues			
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 63,325,988	\$	63,325,988
(2)	Fuel Adjustment Clause	\$ 33,887	\$	33,887
(3)	DSM	\$ 1,886,093	\$	1,886,093
(4)	Environmental Surcharge		\$	3,161,218
(5)	CSR Credits		\$	(223,116)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 65,245,968		
Non -Ji	urisdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 7,595,793	\$	7,595,793
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 7,595,793		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 72,841,762		
	Jurisdictional Allocation Ratio for Current Month [(5)/(8)] =	89.57%		
Reconc	iling Revenues			
(10)	Brokered	\$ _	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	-
(12)	Unbilled		\$	11,637,661
(13)	Miscellaneous		\$	1,234,428
(14)	Total Company Revenues per Income Statement =		\$	88,651,953



JAN 20 2015

PUBLIC SERVICE COMMISSION

V.

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy
Director - Rates
T 502-627-3324
F-502-627-3213
robert.conroy@lge-ku.com

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

January 20, 2015

a PPL company

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of December 2014. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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 LG&E'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,

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

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

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/V	Vhite						\$0.00
COPYING - Color							\$0.00
MISCELLANEOUS	_						
Invoice Amount							\$21,940.59
TOTAL MONTH	LY INVOICE AMOU	NT					\$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** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of December 2014

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 2,062,907
Group 1 ES Billing Factor ES Form 1.10, line 17	=	5.80%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 2,841,770
Group 2 ES Billing Factor ES Form 1.10, line 17	***	9.14%

Effective Date for Billing: February billing cycle beginning January 30, 2015

-

Title: Director, Rates

Submitted by:

Date Submitted: January 20, 2015

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of December 2014

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RC	(TR/(1-TR)) + OE - BAS + BR, where
RB	202	Environmental.Compliance Rate Base
ROR	22	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		=	\$ 685,355,081
(2)	RB / 12		=	\$ 57,112,923
(3)	(ROR + (ROR - DE	R) (TR / (1 - TR)))	=	10.43%
(4)	OE		=	\$ 562,559
(5)	BAS		=	\$ 1,370
(6)	BR		=	\$ (27,966)
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 6,490,101

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	93.91%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(7) \times (8)]$	=	\$ 6,094,854
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,190,177
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 4,904,677

Calculation of Group Environmental Surcharge Billing Factors

	oup announce and only a necono		GROUI	P 1 (Total Revenue)	GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		42.06%		57.94%
(15)	Group E(m) [(13) x (14)]	****	\$	2,062,907	\$	2,841,770
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,579,866	\$	31,079,878
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		5.80%		9.14%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of December 2014

Determination of Environmental Compliance Rate Base

	Enviromental	Compliance Plan
Eligible Pollution Control Plant	\$ 342,466,056	
Eligible Pollution CWIP Excluding AFUDC	402,426,855	
Subtotal		\$ 744,892,911
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	2,782	
Cash Working Capital Allowance	203,150	
Subtotal		205,932
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	1,254,846	
Pollution Control Deferred Income Taxes	58,488,916	
Subtotal		59,743,762
Environmental Compliance Rate Base	**************************************	\$ 685,355,081

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 163,736
Monthly Depreciation & Amortization Expense	318,031
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	42,483
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	27,997
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	10,312
Total Pollution Control Operations Expense	\$ 562,559

**Determination of Beneficial Reuse Operating Expenses** 

		Envi	ironmental
		Comp	pliance Plan
Total Monthly Beneficial Reuse Expense		\$	24,599
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	- Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract Contract C		(52,565)
Net Beneficial Reuse Operations Expense		\$	(27,966)

Proceeds From By-Product and Allowance Sales

		Total	Amo	unt in		Net
	P	roceeds	Base	Rates	Pr	oceeds
		(1)		(2)	(1	) - (2)
Allowance Sales	\$	1,370	\$	-	\$	1,370
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	1,370	\$	-	\$	1,370

#### LOUISVILLE GAS AND ELECTRIC 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		Deferred Tax Balance as of 12/31/2014	Monthly ITC Amortization Credit	Γ	Monthly Depreciation Expense	F	Monthly Property Tax . Expense
	]							(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]															
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	S	9,599,354	\$	706,423	\$	-	S	8,892,931		614,368		S	19,647	S	1,142
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	-	\$	-	\$	12,717,056		12,717,056		- 1		S	-	S	1,260
Project 25 - Beneficial Reuse	s	4,636,272	\$	236,373	\$	(79,542)	\$	4,320,358	\$	894,479		S	9,504	\$	554
Subtotal	\$	14,235,626	S	942,796	S	12,637,514	\$	25,930,344	\$	1,508,847		S	29,151	s	2,957
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	(365,982)	s	(202,574)	s	-	s	(163,408)	s	(63,566)		s	(775)	s	(20)
Net Total - 2009 Plan:	\$	13,869,644	\$	740,221	\$	12,637,514	\$	25,766,936	\$	1,445,281		\$	28,376	\$	2,936
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ \$	32 <b>8</b> ,596,413 -	s s	514,625 -	\$	331,205,287 58,584,054		659,287,075 58,584,054		57,043,635 -	·	\$ \$	289,655	\$	37,757 1,790
Subtotal Less Retirements and Replacement resulting	S	328,596,413	S	514,625	\$	389,789,341	\$	717,871,129	S	57,043,635		\$	289,655	s	39,547
from implementation of 2011 Plan	S	-	5	-	S	-	S	-	s	-		\$	-	S	*
Net Total - 2011 Plan:	\$	328,596,413	\$	514,625	\$	389,789,341	s	717,871,129	S	57,043,635	S -	\$	289,655	\$	39,547
Net Total - All Plans:	s	342,466,056	S	1,254,846	S	402,426,855	S	743,638,065	S	58,488,916	\$ -	S	318,031	S	42,483

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: December 31, 2014

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dolla	ar Value Of Vintage	Yea	г	Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$		NOx		NOx	` .
		Annual	Ozone Season			Annual		Ozone Season	
Current Year	58,269	204	51	\$ 189.11	\$	4,740.73	\$	1,399.13	
2015	62,379								
2016	62,379								
2017	62,379								
2018	62,379								· ·
2019	62,379				<u> </u>				
2020	62,379						L		
2021	62,379								
2022	62,379		1						
2023	62,379								
2024	62,379								·
2025	62,379								`
2026	62,379								
2027	62,379								
2028	62,379								
2029	62,379								
2030	62,379								
2031	62,379					-			
2032	62,379								
2033	62,379								
2034 - 2043	623,790								

In the "Comments and Explanation" Column, describe any allowance inventory adjustment other than the assignment of allowances by EPA. Inventory adjustments include, but are not limited to, purchases, allowances acquired as part of other purchases, and the sale of allowances.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of December 2014

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Còal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	63,365	0	4,935	0	161	58,269	
Dollars	\$ 205.65	\$ -	\$ 16.01	\$ -	\$ 0.53	\$ 189.11	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	M EPA: COAL F	UEL .			4	
Quantity	60,676	-	4,766		161		Sale of 161 allowances to KU for its share of the current month
Dollars	\$ 191.97	\$ -	\$ 15.46	-	\$ 0.53	\$ 175.98	emission allowance expense.
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER	FUELS				
	LLOWANCES FRO					2 520	
Quantity	2,689	-	169	- 2	-	2,520	
Quantity		-		\$ -	- S -	\$ 13.13	
Quantity	2,689	-	169				
Quantity Dollars	\$ 2,689	\$ -	169				
Quantity Dollars  ALLOWANCES	2,689	\$ -	169				
Quantity Dollars	\$ 2,689	\$ -	169				
Quantity Dollars  ALLOWANCES From Market:	2,689 \$ 13.68 6 FROM PURCHASI	- \$ -	169 \$ 0.55	\$ -	S -	\$ 13.13	
Quantity Dollars  ALLOWANCES From Market: Quantity	2,689 \$ 13.68 6 FROM PURCHASI	- \$ - ES:	169 \$ 0.55	-	\$ -	\$ 13.13	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	2,689 \$ 13.68 6 FROM PURCHASI - \$ -	ES:	169 \$ 0.55	- - - -	\$ - \$ -	\$ 13.13	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,689 \$ 13.68 6 FROM PURCHASI - \$ -	ES:	169 \$ 0.55	- - - -	\$ - \$ -	\$ 13.13	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	2,689 \$ 13.68 6 FROM PURCHASI - \$ -	ES:	169 \$ 0.55	- - - -	\$ - \$ -	\$ 13.13	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	2,689 \$ 13.68 \$ FROM PURCHASI - \$ - \$ -	ES:	169 \$ 0.55	\$ - \$ - \$	\$ - \$ - \$ -	\$ 13.13 - \$ - \$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of December 2014

	Beginn Invent		Allocation Purchas		Utilize (Coal Fu		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOW	ANCES	S IN INVEN	TORY	. ALL CLAS	SSIFIC	ATIONS					
Quantity	1	51		0	1	0		0 [	0	T	51	
Dollars	\$ 1.	399.13	\$	-	\$	_	S	- 1	\$ -	\$	1,399.13	
\$/Allowance	S	27.43		_	\$	-	\$	-	\$ -	\$	27.43	,
ALLOCATED A	LLOWANC			DAL F	UEL							
Quantity	7	45		-		-		0	0	T	45	
Dollars	\$ 1,	234.52	\$	-	S	-	\$	-	\$ -	\$	1,234.52	,
4	T T OWN A NICE	no mno	WEEDA O	THE PARTY	DATES O							
Quantity		<b>ES FR</b> C 6 164.61		THER	FUELS \$	-	\$	-	\$ -	\$	6 164.61	
ALLOCATED A Quantity Dollars ALLOWANCES	S	6 164.61	S	-			\$			\$		
Quantity Dollars ALLOWANCES From Market:	S	6 164.61 RCHASI	S	-		-	\$	-	\$ -		164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity	S FROM PUR	6 164.61	S ES:	-	S			- 0	0			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S FROM PUR	6 164.61 RCHASI	S ES:	-	\$	-	S	0	0	\$	164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S FROM PUF	6 164.61 RCHASI 0	S ES:	0	S	0		0	0		164.61	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	S FROM PUR	6 164.61 <b>RCHAS</b> 0	S ES:	0	\$	0 -	S	0	0	\$	164.61 0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance From KU:	S FROM PUF	6 164.61 RCHASI 0 -	S ES:	0	\$	0 -	S	0	\$ - 0 \$ - \$ -	\$ \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance  From KU: Quantity	FROM PUR	6 164.61 <b>RCHAS</b> 1 0 -	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	0 -	\$ \$	0	\$ \$	0 - 0	\$ - 0 \$ - \$ -	\$ \$	0 0	
Quantity Dollars	S FROM PUF	6 164.61 RCHASI 0 -	S ES:	0	\$	0 -	S	0 - 0	\$ - 0 \$ - \$ -	\$ \$	0	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of December 2014

	Beginnii Inventor		Allocations/ Purchases		tilized al Fuel)	Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWA	NCES	IN INVENTORY	, ALL C	CLASSIFIC	ATIONS					
Quantity		1,364	205	<u> </u>	1,293		13	59		204	
Dollars	\$ 34,4	11.86	\$ 2,050.00	\$	30,049.61	\$ 302.	11 \$	1,369.41	\$	4,740.73	
S/Allowance	\$	25.23	\$ 10.00	\$	23.24	\$ 23.	24 \$	23.21	\$	23.24	·
ALLOCATED A	LLOWANCE	S FROI	M EPA: COAL F	UEL							
Quantity		1,129	(12)		1,204	-		59			Ending Inventory includes purchases from the market as shown below and
Oollars	\$ 28,4	83.13	\$ 188.72	\$	27,981.35	\$ -	\$	1,369.41	\$	1,371.09	sale of 59 allowances to KU for its share of the current month emission
											allowance expense.
	LLOWANCE	S FRO! 235	M EPA: OTHER		89		13			145	
Quantity											
Dollars	\$ 5,9	28.73	\$ (188.72)	\$	2,068.26	\$ 302.	11 \$	_	\$	3,369.64	
ALLOWANCEC									L		
rom Market:	FROM PURG										
rom Market: Quantity		0	205		0		0	0			Purchased 205 allowances from the market included in
rom Market: Quantity Dollars	\$	0	205 \$ 2,050:00	\$	-	\$ -	\$	-	\$	0	Purchased 205 allowances from the market included in Ending Inventory - Coal Fuel as shown above
rom Market: Quantity Dollars		0	205			\$ - \$ -		-	\$		
rom Market: Quantity Dollars 5/Allowance	\$	0	205 \$ 2,050:00		-		\$	-		-	
rom Market: Quantity Dollars S/Allowance rom KU:	\$	0	205 \$ 2,050:00		-		\$	-		-	
rom Market: Quantity Dollars 8/Allowance from KU: Quantity Dollars	\$	0 -	205 \$ 2,050.00 \$ 10.00		-		\$	0		-	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: December 31, 2014

Environmental Compliance Plan					
O&M Expenses	Amount				
11th Previous Month	\$	245,407			
10th Previous Month		54,170			
9th Previous Month		152,321			
8th Previous Month		231,657			
7th Previous Month	·	155,157			
6th Previous Month		140,820			
5th Previous Month		140,030			
4th Previous Month		103,661			
3rd Previous Month		101,245			
2nd Previous Month		84,785			
Previous Month		80,176			
Current Month		135,771			
Total 12 Month O&M	\$	1,625,198			

Determination of Working Capital Allowance					
12 Months O&M Expenses	\$	1,625,198			
One Eighth (1/8) of 12 Month O&M Expenses		1/8			
Pollution Control Cash Working Capital Allowance	\$	203,150			

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: December 31, 2014

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations	and the	_	
512107 - ECR Landfill Maintenance		-	
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	
Net 2009 Plan O&M Expenses		-	-
2011 Plan 502056 - ECR Scrubber Operations			-
512055 - ECR Scrubber Maintenance	_		· -
506159 - ECR Sorbent Injection Operation		12,919	12,919
506152 - ECR Sorbent Reactant - Reagent Only	-	123,360	123,360
512152 - ECR Sorbent Injection Maintenance	551	2,692	3,242
506156 - ECR Baghouse Operations	-		-
512156 - ECR Baghouse Maintenance	24,215	-	24,215
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts		49544-16 grade 15 15 14 996 18 16	-
Total 2011 Plan O&M Expenses	24,766	138,970	163,736
Compatible Company Control Discourse	1.0 04.766	F# 120.070	16 162.727
Current Month O&M Expense for All Plans	\$ 24,766	\$ 138,970	\$ 163,736

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: December 31, 2014

On-Site CCP Disposal O&M Expense	Trimbl	e 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)	\$	<del>-</del>
(6) Monthly Expense Amount [(5) / 12]	\$	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	
(8) Less 2009 Plan Project [(7) - (3)]	\$	**
If Line (8) Greater than Zero, No Adjustment		***************************************
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: December 31, 2014

Third Party	O&M Expense Account	Plant	To	tal O&M
Tarty	T Own Expense Account	Flant	10	iai Oxivi
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	9,489
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	8,120
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	6,990
Total Monthly Benefic	ial Reuse Expense		\$	24,599
			•	
Adjustment for Benefic	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(52,565)
Net Beneficial Reuse C	D&M Expense		\$	(27,966)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: December 31, 2014

On-Site CCP Disposal O&M Expense		Mill Creek	Trim	ıble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)				•	 
(1) 12 Months Ending with Expense Month	\$	76,901	\$	(26,434)	\$ 50,467
(2) Monthly Amount [(1) / 12]	\$	6,408	\$	(2,203)	\$ 4,206
2009 Plan Project 25					
(3) Monthly Amount (Expense/Revenue)	\$	6,990.12	\$	17,609	\$ 24,599
Total Beneficial Reuse - Generating Station		-			
(4) Monthly Expense [(2) + (3)]	\$	13,399	\$	15,406	\$ 28,804
Beneficial Reuse in Base Rates	<del>                                     </del>				
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	<u> </u>	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	<del>                                     </del>	(43,372)	\$	15,406	\$ (27,966)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(50,362)		(2,203)	\$ (52,565)
If Line (8) Greater than Zero, No Adjustment		-			
If Line (8) Less than Zero, Adjustment for Base Rates					
Adjustment for Base Rate Amount (to ES Form 2.60)	<b>T</b> \$	(50,362)	\$	(2,203)	\$ (52,565)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 27,768,725	\$ 11,525,496	\$ 60,134	\$ 1,843,859	\$ 1,458,133	\$ 42,656,348	\$	41,198,214		
Feb-14	25,877,790	10,555,361	635,328	1,689,742	1,282,903	\$ 40,041,123	\$	38,758,221		
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	\$	33,833,010		
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026		
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718		
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215		
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613		
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052		
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610		
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186		
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424		
Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1,855,524	\$ 35,861,631	\$	34,006,107		
Average Monthly Ju	ırisdictional Revenues, E	xcluding Environmental	Surcharge,							
for 12 Months Endi	for 12 Months Ending Current Expense Month.									
Average Kentucky J	Iurisdictional Revenues e	xcluding Environmental	Surcharge for 12-months	ending with Current Mo	onth =		\$	84,595,814		
GROUP 1 Revenue	s as a Percentage of Tota	d Revenues for 12-month	is ending with the Currer	nt Month			<u> </u>	42.06%		

Feb-14 30,092,354 17,742,066 864,943 570,168 1,646,347 \$ 50,915,877 \$ 49,269,531 \$ 30,662,52 Mar-14 26,879,497 14,941,102 1,151,129 541,552 835,550 \$ 44,348,829 \$ 43,513,279 \$ 27,421,04 Apr-14 26,649,517 15,270,759 911,338 516,933 813,545 \$ 44,162,092 \$ 43,348,547 \$ 27,166,45 May-14 31,038,295 17,114,221 983,142 582,699 1,149,099 \$ 50,867,456 \$ 49,718,357 \$ 31,620,99 Jun-14 33,283,517 18,737,795 1,954,247 669,820 1,579,922 \$ 56,225,300 \$ 54,645,379 \$ 33,953,33 Jul-14 33,763,287 18,606,578 1,147,175 733,697 1,741,525 \$ 55,992,262 \$ 54,250,737 \$ 34,496,98 Aug-14 32,513,438 18,162,998 112,923 665,867 1,849,343 \$ 53,304,568 \$ 51,455,225 \$ 33,179,30 Sep-14 35,830,535 20,220,639 283,429 711,285 1,894,389 \$ 58,940,277 \$ 57,045,888 \$ 36,541,82 Oct-14 31,652,002 19,033,445 159,891 598,460 1,858,856 \$ 53,302,653 \$ 51,443,797 \$ 32,250,46 Nov-14 24,607,043 13,022,790 23,355 516,356 1,872,610 \$ 40,042,155 \$ 38,169,545 \$ 25,123,39 De-14 29,797,563 17,818,181 (468,132) 601,510 2,582,675 \$ 50,331,797 \$ 47,749,122 \$ 30,399,07 Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.		•		GRC	OUP 2 (Net Revenues) - I	Centucky Jurisdictional R	Levenues		
Non-fuel Base Rate   Base Rate   Revenues   Fuel Clause   Revenues   DSM   Surcharge   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues   Revenues	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Jan-14   \$ 29,537,445   \$ 17,452,792   \$ (13,969)   \$ 605,691   \$ 1,694,648   \$ 49,276,608   \$ 47,581,960   \$ 30,143,13     Feb-14   30,092,354   17,742,066   864,943   570,168   1,646,347   \$ 50,915,877   \$ 49,269,531   \$ 30,662,52     Mar-14   26,879,497   14,941,102   1,151,129   541,552   835,550   \$ 44,348,829   \$ 43,513,279   \$ 27,421,04     Apr-14   26,649,517   15,270,759   911,338   516,933   813,545   \$ 44,162,092   \$ 43,348,547   \$ 27,166,45     May-14   31,038,295   17,114,221   983,142   582,699   1,149,099   \$ 50,867,456   \$ 49,718,357   \$ 31,620,99     Jun-14   33,283,517   18,737,795   1,954,247   669,820   1,579,922   \$ 56,225,300   \$ 54,645,379   \$ 33,953,33     Jul-14   33,763,287   18,606,578   1,147,175   733,697   1,741,525   \$ 55,992,262   \$ 54,250,737   \$ 34,496,98     Aug-14   32,513,438   18,162,998   112,923   665,867   1,849,343   \$ 53,304,568   \$ 51,455,225   \$ 33,179,30     Sep-14   35,830,535   20,220,639   283,429   711,285   1,894,389   \$ 58,940,277   \$ 57,045,888   \$ 36,541,82     Oct-14   31,652,002   19,033,445   159,891   598,460   1,858,856   \$ 53,302,653   \$ 51,443,777   \$ 32,250,46     Nov-14   24,607,043   13,022,790   23,355   516,356   1,872,610   \$ 40,042,155   \$ 38,169,545   \$ 25,123,39     Dec-14   29,797,563   17,818,181   (468,132)   601,510   2,582,675   \$ 50,331,797   \$ 47,749,122   \$ 30,399,07    Average Kentucky Jurisdictional Revenues Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.	Month	Base Rate				Surcharge		Excluding Environmental Surcharge	Revenues plus DSM
Feb-14 30,092,354 17,742,066 864,943 570,168 1,646,347 \$ 50,915,877 \$ 49,269,531 \$ 30,662,52 Mar-14 26,879,497 14,941,102 1,151,129 541,552 835,550 \$ 44,348,829 \$ 43,513,279 \$ 27,421,04 Apr-14 26,649,517 15,270,759 911,338 516,933 813,545 \$ 44,162,092 \$ 43,348,547 \$ 27,166,45 May-14 31,038,295 17,114,221 983,142 582,699 1,149,099 \$ 50,867,456 \$ 49,718,357 \$ 31,620,99 Jun-14 33,283,517 18,737,795 1,954,247 669,820 1,579,922 \$ 56,225,300 \$ 54,645,379 \$ 33,953,33 Jul-14 33,763,287 18,606,578 1,147,175 733,697 1,741,525 \$ 55,992,262 \$ 54,250,737 \$ 34,496,98 Aug-14 32,513,438 18,162,998 112,923 665,867 1,849,343 \$ 53,304,568 \$ 51,455,225 \$ 33,179,30 Sep-14 35,830,535 20,220,639 283,429 711,285 1,894,389 \$ 58,940,277 \$ 57,045,888 \$ 36,541,82 Oct-14 31,652,002 19,033,445 159,891 598,460 1,858,856 \$ 53,302,653 \$ 51,443,797 \$ 32,250,46 Nov-14 24,607,043 13,022,790 23,355 516,356 1,872,610 \$ 40,042,155 \$ 38,169,545 \$ 25,123,39 De-14 29,797,563 17,818,181 (468,132) 601,510 2,582,675 \$ 50,331,797 \$ 47,749,122 \$ 30,399,07 Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.	Jan-14	\$ 29 537 445	\$ 17.452.792	\$ (13.969)	\$ 605 691	\$ 1 694 648			
Mar-14         26,879,497         14,941,102         1,151,129         541,552         835,550         \$ 44,348,829         \$ 43,513,279         \$ 27,421,04           Apr-14         26,649,517         15,270,759         911,338         516,933         813,545         \$ 44,162,092         \$ 43,348,547         \$ 27,166,45           May-14         31,038,295         17,114,221         983,142         582,699         1,149,099         \$ 50,867,456         \$ 49,718,357         \$ 31,620,99           Jun-14         33,283,517         18,737,795         1,954,247         669,820         1,579,922         \$ 56,225,300         \$ 54,645,379         \$ 33,953,33           Jul-14         33,763,287         18,606,578         1,147,175         733,697         1,741,525         \$ 55,992,262         \$ 54,655,379         \$ 34,496,98           Aug-14         32,513,438         18,162,998         112,923         665,867         1,849,343         \$ 53,304,568         \$ 51,455,225         \$ 33,179,36           Sep-14         35,830,535         20,220,639         283,429         711,285         1,894,389         \$ 58,940,277         \$ 57,045,888         \$ 36,541,82           Oct-14         31,652,002         19,033,445         159,891         598,460         1,858,856         \$ 53,302,									
May-14         31,038,295         17,114,221         983,142         582,699         1,149,099         \$ 50,867,456         \$ 49,718,357         \$ 31,620,99           Jun-14         33,283,517         18,737,795         1,954,247         669,820         1,579,922         \$ 56,225,300         \$ 54,645,379         \$ 33,953,33           Jul-14         33,763,287         18,606,578         1,147,175         733,697         1,741,525         \$ 55,992,262         \$ 54,250,737         \$ 34,496,98           Aug-14         32,513,438         18,162,998         112,923         665,867         1,849,343         \$ 53,304,568         \$ 51,455,225         \$ 33,179,30           Sep-14         35,830,535         20,220,639         283,429         711,285         1,894,389         \$ 58,940,277         \$ 57,045,888         \$ 36,541,82           Oct-14         31,652,002         19,033,445         159,891         598,460         1,858,856         \$ 53,302,653         \$ 51,443,797         \$ 32,250,46           Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,         \$ 50,331,797         \$ 47,749,122         \$ 3	Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	
Jun-14         33,283,517         18,737,795         1,954,247         669,820         1,579,922         \$ 56,225,300         \$ 54,645,379         \$ 33,953,33           Jul-14         33,763,287         18,606,578         1,147,175         733,697         1,741,525         \$ 55,992,262         \$ 54,250,737         \$ 34,496,98           Aug-14         32,513,438         18,162,998         112,923         665,867         1,849,343         \$ 53,304,568         \$ 51,455,225         \$ 33,179,30           Sep-14         35,830,535         20,220,639         283,429         711,285         1,894,389         \$ 58,940,277         \$ 57,045,888         \$ 36,541,82           Oct-14         31,652,002         19,033,445         159,891         598,460         1,858,856         \$ 53,302,653         \$ 51,443,797         \$ 32,250,46           Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,         \$ 50,331,797         \$ 47,749,122         \$ 30,399,07           Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month=         \$ 84,595,814	Apr-14	26,649,517	15,270,759	. 911,338	516,933	813,545	\$ 44,162,092	\$ 43,348,547	
Jul-14         33,763,287         18,606,578         1,147,175         733,697         1,741,525         \$ 55,992,262         \$ 54,250,737         \$ 34,496,98           Aug-14         32,513,438         18,162,998         112,923         665,867         1,849,343         \$ 53,304,568         \$ 51,455,225         \$ 33,179,30           Sep-14         35,830,535         20,220,639         283,429         711,285         1,894,389         \$ 58,940,277         \$ 57,045,888         \$ 36,541,82           Oct-14         31,652,002         19,033,445         159,891         598,460         1,838,856         \$ 53,302,653         \$ 51,443,797         \$ 32,250,46           Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Dec-14         29,797,563         17,818,181         (468,132)         601,510         2,582,675         \$ 50,331,797         \$ 47,749,122         \$ 30,399,07           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,         \$ 49,015,947         \$ 31,079,87           Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month=         \$ 84,595,814	May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994
Aug-14       32,513,438       18,162,998       112,923       665,867       1,849,343       \$ 53,304,568       \$ 51,455,225       \$ 33,179,30         Sep-14       35,830,535       20,220,639       283,429       711,285       1,894,389       \$ 58,940,277       \$ 57,045,888       \$ 36,541,82         Oct-14       31,652,002       19,033,445       159,891       598,460       1,858,856       \$ 53,302,653       \$ 51,443,797       \$ 32,250,46         Nov-14       24,607,043       13,022,790       23,355       516,356       1,872,610       \$ 40,042,155       \$ 38,169,545       \$ 25,123,39         Dec-14       29,797,563       17,818,181       (468,132)       601,510       2,582,675       \$ 50,331,797       \$ 47,749,122       \$ 30,399,07         Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.       \$ 49,015,947       \$ 31,079,87         Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =       \$ 84,595,814	Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337
Sep-14         35,830,535         20,220,639         283,429         711,285         1,894,389         \$ 58,940,277         \$ 57,045,888         \$ 36,541,82           Oct-14         31,652,002         19,033,445         159,891         598,460         1,858,856         \$ 53,302,653         \$ 51,443,797         \$ 32,250,46           Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Dec-14         29,797,563         17,818,181         (468,132)         601,510         2,582,675         \$ 50,331,797         \$ 47,749,122         \$ 30,399,07           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.         \$ 49,015,947         \$ 31,079,87           Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =         \$ 84,595,814	Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984
Oct-14         31,652,002         19,033,445         159,891         598,460         1,858,856         \$ 53,302,653         \$ 51,443,797         \$ 32,250,46           Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Dec-14         29,797,563         17,818,181         (468,132)         601,510         2,582,675         \$ 50,331,797         \$ 47,749,122         \$ 30,399,07           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.         \$ 49,015,947         \$ 31,079,87           Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =         \$ 84,595,814	Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305
Nov-14         24,607,043         13,022,790         23,355         516,356         1,872,610         \$ 40,042,155         \$ 38,169,545         \$ 25,123,39           Dec-14         29,797,563         17,818,181         (468,132)         601,510         2,582,675         \$ 50,331,797         \$ 47,749,122         \$ 33,399,07           Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.         \$ 49,015,947         \$ 31,079,87           Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =         \$ 84,595,814	Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821
Dec-14   29,797,563   17,818,181   (468,132)   601,510   2,582,675   \$ 50,331,797   \$ 47,749,122   \$ 30,399,07	Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461
Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = \$ 84,595,814	Nov-14	24,607,043	13,022,790	23,355	516,356	1,872,610	\$ 40,042,155	\$ 38,169,545	\$ 25,123,399
for 12 Months Ending Current Expense Month.  S 49,015,947 \$ 31,079,87  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = \$ 84,595,814					601,510	2,582,675	\$ 50,331,797	\$ 47,749,122	\$ 30,399,073
	for 12 Months Endi	ng Current Expense Mor	nth.		11 (1)			<del></del>	\$ 31,079,878
						ntn =		\$ 84,595,814 57.94%	

**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

**Reconciliation of Reported Revenues** 

For the Month Ended: December 31, 2014

<del></del>		<del></del>			
			Revenues per		levenues per
			Form 3.00	Inc	ome Statement
Kentuc	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	80,134,894	\$	80,134,894
(2)	Fuel Adjustment Clause	\$	(803,136)	\$	(803,136)
(3)	DSM	\$	2,423,471	\$	2,423,471
(4)	Environmental Surcharge			\$	4,438,199
(5)	CSR Credits			\$	(331,988)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	81,755,229		· · · · · · · · · · · · · · · · · · ·
Non -Ju	urisdictional Revenues	-			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	5,297,621	\$	5,297,621
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	5,297,621		
.(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	87,052,850		
1(9)	Total Company Revenues for Environmental Surcharge Fulposes —	1	87,032,830		
-	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		93.91%		
Reconc	iling Revenues				
(10)	Brokered	\$	-	\$	-
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	(1,259,420)
(13)	Miscellaneous			\$	1,428,850
(14)	Total Company Revenues per Income Statement =			\$	91,328,492

# Attachment to Response to SV Question No. 2(h) Page 1087 of 1183 FFB 2 0 2011 Conroy



PUBLIC SERVICE COMMISSION

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

February 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of January 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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, LG&E 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.

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Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com Mr. Jeff DeRouen February 20, 2015

Please contact me if you have any questions about this filing.

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Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of January 2015

### **GROUP 1 (Total Revenue)**

,		
Group 1 E(m) ES Form 1.10, line 15	manan- erova	\$ 2,057,105
Group 1 ES Billing Factor ES Form 1.10, line 17	=	5,82%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 2,852,454
Group 2 ES Billing Factor ES Form 1.10, line 17	22.	9.17%

Effective Date for Billing: March billing cycle beginning March 3, 2015

Submitted by:

Title: Director, Rates

Date Submitted: February 20, 2015

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of January 2015

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	(ROR+(RO	DR - DR(TR/(1-TR))) + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	272	Debt Rate (both short-term and long-term debt)
TR	<b>#</b>	Composite Federal & State Income Tax Rate
OE	-	Pollution Control Operating Expenses
BAS	==	Total Proceeds from By-Product and Allowance Sales
BR	=	Reneficial Reuse Operating Expenses

			invironmental empliance Plans
(1) RB		222	\$ 704,968,082
(2) RB / 12		<u>v==</u>	\$ 58,747,340
(3) (ROR + (ROR - I	OR) (TR / (1 - TR)))		10.43%
(4) OE		=	\$ 741,583
(5) BAS			\$ 0
(6) BR		==	\$ (43,101)
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$ 6,825,830

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	90.28%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	100	\$ 6,162,359
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	===	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,252,800
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$		\$ 4,909,559

Calculation of Group Environmental Surcharge Billing Factors

			GROUP 1 (Total Revenue)		GROU	P 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00			41.90%		58.10%
(15)	Group E(m) [(13) x (14)]	=	\$	2,057,105	\$	2,852,454
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	¥275	\$	35,357,731	\$	31,099,162
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		5.82%		9.17%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of January 2015

Determination of Environmental Compliance Rate Base

	Enviro	mental Com	pliance Plan
Eligible Pollution Control Plant	\$ 260,30	5,557	
Eligible Pollution CWIP Excluding AFUDC	441,58	0,339	
Subtotal		\$	701,885,896
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33		171	
Cash Working Capital Allowance	18	7,173	
Subtotal			187,344
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	(56,68	0,628)	
Pollution Control Deferred Income Taxes	53,78	5,786	
Subtotal			(2,894,842)
Environmental Compliance Rate Base		\$	704,968,082

**Determination of Pollution Control Operating Expenses** 

	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 160,694
Monthly Depreciation & Amortization Expense	490,883
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	90,002
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	4
Monthly Surcharge Consulting Fees	
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 741,583

**Determination of Beneficial Reuse Operating Expenses** 

	Env	vironmental
·	Com	ipliance Plan
Total Monthly Beneficial Reuse Expense	\$	9,689
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(52,791)
Net Beneficial Reuse Operations Expense	\$	(43,101)

Proceeds From By-Product and Allowance Sales

Trocecus From Dy-Frounct and Anowance Sar	CS					
		Γotal	Amo	ount in		Net
	Pr	oceeds	Base	e Rates	F	roceeds
		(1)		(2)	(	(1) - (2)
Allowance Sales	\$	0	\$	300	\$	0
Scrubber By-Products Sales		-		≥		_
Total Proceeds from Sales	\$	0	\$	-	\$	0

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: January 31, 2015

(1)	<del>1</del>	(2)	Г	(3)	T	(4)	r	(5)	T	(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 1/31/2015	Monthly ITC Amortization Credit	1	Monthly Depreciation Expense	F	Monthly roperty Tax Expense
	I							(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) {CANCELLED}						20.00		21 8 10 10 10 10			Argoniano esta	C + 4, 7			a garage
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	S	9,599,354	\$	726,070	5	-	\$	8,873,284	S	624,505		S	19,647	\$	1,112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	5	-	S	-	S	12,833,525		12,833,525		-		5	*	s	1,590
Project 25 - Beneficial Reuse	5	4,636,272	5	245,877	\$	(79,542)	S	4,310,853	2	895,889		S	9,504	S	540
Subtotal	S	14,235,626	\$	971,947	\$	12,753,983	\$	26,017,662	\$	1,520,395	1	\$	29,151	S	3,242
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	(365,982)	5	(202,574)	\$	-	s	(163,408)	s	(63,566)		s	(775)	5	(20)
Net Total - 2009 Plan:	s	13,869,644	s	769,372	S	12,753,983	\$	25,854,255	S	1,456,829		\$	28,376	\$	3,222
2011 Plan:								****	L				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	328,596,413	s s	I,084,844 -	s s	364,732,351 64,094,005		692,243,920 64,094,005		57,500,474 -		\$	570,219 -	S S	82,411 7,323
Subtoral	\$	328,596,413	\$	1,084,844	S	428,826,356	\$	756,337,925	S	57,500,474		\$	570,219	\$	89,734
Less Retirements and Replacement resulting from implementation of 2011 Plan	s	(82,160,499)	s	(58,534,845)	5	-	s	(23,625,654)	s	(5,171,517)		s	(107,713)	s	(2,953)
Net Total - 2011 Plan:	S	246,435,913	\$	(57,450,001)	\$	428,826,356	S	732,712,270	\$	52,328,957	s -	\$	462,506	\$	86,781
- A CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CONTROL OF THE CO															
Net Total - All Plans:	\$	260,305,557	\$	(56,680,628)	18	441,580,339	\$	758,566,525	1 \$	53,785,786	\$ -	\$	490,883	<u> </u>	90,002

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: January 31, 2015

Vintage Year	Nun	nber of Allowand	ces	Tot	al Doll:	ar Value Of Vinta	ge Year	Comments and Explanations
	SO ₂	NOx	NOx	SO ₂		NOx	NOx	
	(Note 1)	Annual	Ozone Season	(Note 2)		Annual	Ozone Season	
Current Year	153,065	12,998	5,903	\$ 184,36	S	-	\$ -	
2016	101,314							
2017	62,379							
2018	62,379						,	
2019	62,379							·
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379							
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379							
2033	62,379							
2034	62,379							
2035 - 2044	623,790							

Note 1: Includes CAIR allowances of 117,618 for the current year and 62,379 for years 2016 through 2044. Includes CSAPR allowances of 35,447 for the current year and 38,935 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.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of January 2015

		ginning ventory	Allocation Purchase		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years	
TOTAL EMISS	ION ALL	OWANCE:	S IN INVENT	fory	, ALL CLASSIF	ICAT	TIONS						
Quantity		58,269	100	0,856	5,81	0	0	T	250	T	153,065	A STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STATE OF THE STA	
Dollars	\$	189.11	S	-	\$ 4.5		\$ -	\$	0.19	\$	184,36		
\$/Allowance	\$	-	S	-	\$ -	\$	-	S	-	S	-		
ALLOCATED A	LLOWA	NCES FRO	OM EPA: CO	AL F	UEL							· ·	
Quantity		55,749	96	6,955	5,60	4	0	T	250	T	146,850		
Dollars	\$	175.98		-		0 \$	\$ -	\$	0.19	\$	171.39		
						$\neg$							
	LLOWA												
ALLOCATED A Quantity Dollars	ALLOWA     \$	2,520 13.13	2	HER 3,901	20	6 \$	0	   \$	0	\$	6,215 12.97		
Quantity Dollars	S	2,520 13.13	\$	3,901	20			1		<del></del>			
Quantity Dollars  ALLOWANCES	S	2,520 13.13	\$	3,901	20			1		<del></del>			
Quantity Dollars  ALLOWANCES From Market;	S	2,520 13.13 PURCHAS	\$	3,901	\$ 0.1	6 \$	5	1		<del></del>	12.97		
Quantity Dollars  ALLOWANCES From Market: Quantity	S FROM	2,520 13.13	S S ES:	3,901	\$ 0.1	6 \$		\$		\$			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S FROM	2,520 13,13 PURCHAS	\$ S ES:	0	\$ 0.1	6 \$ 0 \$	5 -	\$		\$	12.97		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	S FROM	2,520 13.13 PURCHAS	S S ES:	3,901	\$ 0.1	6 \$	5 -	\$		\$	12.97		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	S FROM	2,520 13,13 PURCHAS	\$ S ES:	0	\$ 0.1	6 \$ 0 \$	5 -	\$		\$	12.97		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars S/Allowance	S FROM	2,520 13,13 PURCHAS	\$ S ES:	0	\$ 0.1 \$ - \$ -	6 \$ 0 \$	5 -	\$		\$	12.97		
Quantity	S FROM	2,520 13.13 PURCHAS	\$ S ES:	0	\$ 0.1 \$ - \$ -	6 \$ 0 \$ \$	5 - 5 - 5 -	\$		\$	12.97		

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CAIR Emission Allowances (\$O₂) - Current Vintage Year

#### For the Expense Month of January 2015

	Beginning Inventory	1	llocations/ Purchases		tilized al Fuel)	1	Jtilized her Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ON ALLOWANC	ES IN I	NVENTORY	, ALL C	LASSIFIC	ATIONS						
Quantity	58,26	7	62,379	İ	2,905		0	Ĭ	125	T	117,618	
Dollars	\$ 189.1	S	-	S	4.56		-	\$	0.19	\$	184.36	
/Allowance	\$ -	\$	-	S	-	\$	-	S	•	\$	-	
ALLOCATED A	LLOWANCES FI			UEL								
Quantity	55,74	9	59,966		2,802				125			Sale of 125 allowances to KU for its share of the current month
Dollars	S 175.9	3   \$	-	\$	4.40	\$	-	\$	0.19	\$	171,39	emission allowance expense. Received 2015 CAIR allocations.
		1		1		1		1				
	LLOWANCES FI					J		· · · · ·		1		
		1				<u> </u>		<u> </u>		<b>1</b>		
	LLOWANCES FI				103		-	T		I	4,830	
Quantity	2,52		PA: OTHER 2,413		103 0.16	S		S		S	4,830 12.97	
ALLOCATED A Quantity Dollars	2,52	)	2,413			S	-	S		S		
Quantity Dollars	2,52	3 \$	2,413			5		\$		S		
Quantity Dollars ALLOWANCES	\$ 13.1	3 \$	2,413			S		S		S		
Quantity Dollars  ALLOWANCES rom Market: Quantity	\$ 13.1	3 \$	2,413			S		\$		S		
Quantity Dollars  ALLOWANCES rom Market: Quantity	2,52 \$ 13.1 5 FROM PURCHA	SES:	2,413	S	0.16	S		S	7	\$	12.97	
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars	2,52 \$ 13.1 FROM PURCHA	SES:	2,413	S	0.16				-		12.97	
Quantity Dollars  ALLOWANCES TOM Market: Quantity Dollars  5/Allowance	2,52 \$ 13.1 FROM PURCHA  - \$ -	SES:	2,413	S	0.16	S	-	S	-	\$	12.97	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars JAllowance From KU	2,52 \$ 13.1 FROM PURCHA  - \$ -	SES:	2,413	S	0.16	S	-	S	-	\$	12.97	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars Ollars From KU	2,52 \$ 13.1 FROM PURCHA  - \$ -	SES:	2,413	S	0.16	S	-	S	-	\$	12.97	
Quantity Dollars	2,52 \$ 13.1 FROM PURCHA  - \$ - \$ -	SES:	2,413	S	0.16	S		S		\$	12.97	

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of January 2015

•	Beginning Inventory	1	cations/ chases	Utilized (Coal Fuel		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANCI	S IN INV	ENTORY	. ALL CLASSI	IFICA	ATIONS					
Quantity	1 (	1	38,477		905	(	)	. 125	T	35,447	
Dollars	<u> </u>	5	-			\$ -	S	-	\$		
\$/Allowance	\$ -	\$	-	\$		\$ -	S	~	\$	-	
ALLOCATED A	LLOWANCES FR	OM EPA:	: COAL F	UEL					**************		
Quantity	1 0		36,989		802	·····	T	125	T	34,062	Sale of 125 allowances to KU for its share of the current month
Dollars	\$ -	\$	-	•		\$ -	\$	-	\$		emission allowance expense. Received 2015 CSAPR allocations.
ATTOCATED A	I I OWANCES ED	OM FDA	. OTHER	DYTEL C							
Quantity	LLOWANCES FR		1,488		103	\$ -	S	-	S	1,385	
Quantity Dollars ALLOWANCES	(	\$	1,488				\$		s		
Quantity Dollars  ALLOWANCES From Market:	\$ -	\$	1,488	\$	-	\$ -	S		S		
Quantity Dollars  ALLOWANCES  From Market: Quantity	FROM PURCHA	\$ SES:	1,488	\$	-	\$ -					
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PURCHA	SES:	1,488	\$	-	\$ - \$ -	S	-	\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PURCHA	\$ SES:	1,488	\$	-	\$ -					
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHA	SES:	1,488	\$	-	\$ - \$ -	S	-	\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PURCHA	SES:	1,488	\$ \$	-	\$ - \$ -	S	-	\$		
Quantity Dollars	FROM PURCHA	SES:	1,488	\$ \$	-	\$ - \$ - \$ -	S	-	\$		

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of January 2015

and the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second of the second o	Begin Inve	nning ntory	Allocations/ Purchases		Utilized (Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	SION ALLO	WANCES	S IN INVENTO	RY,	ALL CLASSIFIC	ATION	S					
Quantity	1	0	5,9	03	0	T	0	T	0		5,903	Aught My 6 Marian
Dellars	S	-	S -	.	\$ -	\$	-	\$	-	\$	-	,
\$/Allowance	\$	-	\$ -	- 1	\$ -	\$	-	\$	-	\$	-	
ALLOCATED.	ALLOWAN	CES FRO	OM EPA: COAI	L FU	EL							•
Quantity		0	5,5	96	~	Ī	0	T	0		5,596	Beginning inventory reset to 0 to reflect transition from CAIR to CSAPR
Dollars	\$	-	\$ .		\$ -	\$	-	S	-	\$	-	allowances and included the 2015 CSAPR allocations. Remaining CAIR
								1				allowances to be expensed when final EPA true-up is complete.
ALLOCATED . Quantity	ALLOWAN	CES FRO	· · · · · · · · · · · · · · · · · · ·	ER F	UELS	1	-	Т		I	307	Beginning inventory reset to 0 to reflect transition from CAIR to
Dollars	S		\$ -	-	\$ -	\$		\$		S		CSAPR allowances and included the 2015 CSAPR allocations.
ALLOWANCE					\$ -	\$	**	\$		S		
ALLOWANCE From Market:		(RCHAS)				\$			_	S	-	
ALLOWANCE From Market: Quantity	S FROM PU		ES:	0	0		0		0			
ALLOWANCE From Market: Quantity Dollars	S FROM PU	URCHASI 0	ES:	0	0	\$		\$	0	\$	-	
ALLOWANCE From Market: Quantity Dollars	S FROM PU	O O	ES:	0	0		0		0		0	CSAPR allowances and included the 2015 CSAPR allocations.
ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PU	URCHASI 0	ES:	0	0	\$	0	\$	0	\$	0	
ALLOWANCE From Market: Quantity Dollars \$/Allowance	S FROM PU	URCHASI 0	ES:	0	0	\$	0	\$	0	\$	0	CSAPR allowances and included the 2015 CSAPR allocations.
ALLOWANCE From Market: Quantity Dollars \$/Allowance From KU: Quantity Dollars	S FROM PU	0 -	S	0 -	0 \$ - \$ -	\$	0	\$		\$	0	CSAPR allowances and included the 2015 CSAPR allocations.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of January 2015

Inventory	14,496 \$ - \$ -	(Coal Fuel)  7, ALL CLASSIFIC 1,428 \$ - \$ -	17	Sold 53	Inventory	Sale Date & Vintage Years
Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$    ALLOCATED ALLOWANCES FROM I Quantity  Dollars  ALLOCATED ALLOWANCES FROM I Quantity  Dollars  \$ -         \$           ALLOWANCES FROM PURCHASES:         \$    From Market:  Quantity  Dollars  \$ -         \$           Quantity         0           Dollars         \$ -           \$/Allowance         \$ -           \$/Allowance         \$ -	14,496 \$ - \$ -	1,428	17	1 53		
Quantity         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$    ALLOCATED ALLOWANCES FROM I Quantity	14,496 \$ - \$ -	1,428	17	53	·	
Dollars	\$ - \$ -	\$ -		53		
S/Allowance	\$ -		1	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	12,998	
ALLOCATED ALLOWANCES FROM I Quantity -   Dollars \$ - \$  ALLOCATED ALLOWANCES FROM I Quantity 0   Dollars \$ - \$  ALLOWANCES FROM PURCHASES: From Market:   Quantity 0   Dollars \$ - \$ S/Allowance \$ - \$	···	\$ -	\$ -	\$ -	\$ -	
Quantity         -           Dollars         \$ -         \$           ALLOCATED ALLOWANCES FROM DUBBERS         0         0           Quantity         0         0           Dollars         \$ -         \$           ALLOWANCES FROM PURCHASES:         From Market:         0           Quantity         0         0           Dollars         \$ -         \$           \$/Allowance         \$ -         \$	M EPA: COAL F		\$ -	\$ -	\$ -	
Quantity         -           Dollars         \$ -         \$           ALLOCATED ALLOWANCES FROM DUARNITY         0         0           Dollars         \$ -         \$           ALLOWANCES FROM PURCHASES:         From Market:         0           Quantity         0         0           Dollars         \$ -         \$           S/Allowance         \$ -         \$	M EPA: COAL F			**		
Dollars		UEL				
ALLOCATED ALLOWANCES FROM Dollars	13,566	1,348	-	53	12,165	Beginning inventory reset to 0 to reflect transition from CAIR to CSAPR
Quantity         0           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	\$	\$ -	S -	\$ -	\$ -	allowances and included the 2015 CSAPR allocations. Remaining CAIR
Quantity         0           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:         From Market:           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	•		••			allowances to be expensed when final EPA true-up is complete. Ending
Quantity         0           Dollars         \$ - \$           ALLOWANCES FROM PURCHASES:           From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$				v .		inventory reflects sale of allowances to KU for it's share of current month
Dollars	M EPA: OTHER	FUELS				emission allowance expense.
ALLOWANCES FROM PURCHASES: From Market: Quantity Dollars \$ - \$ \$/Allowance \$ - \$	930	80	17	-	833	Beginning inventory reset to 0 to reflect transition from CAIR to
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  \$ - \$	S -	\$ -	S -	S -	S -	CSAPR allowances and included the 2015 CSAPR allocations.
From Market:         0           Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$						
From Market:  Quantity  Dollars  \$ - \$ \$/Allowance  \$ - \$						
Quantity         0           Dollars         \$ - \$           \$/Allowance         \$ - \$	S:					
Dollars         \$         -         \$           \$/Allowance         \$         -         \$						
\$/Allowance \$ - \$	0	0	0	0	0	Purchased 205 allowances from the market included in
		\$ -	\$ -		- \$	Ending Inventory - Coal Fuel as shown above
From KII:	\$ -	\$ -	S -	\$ -	\$ -	•
From KIII:	************					
TOIL ICO.						
Quantity 0		0	0	0		
Dollars \$ - \$	0	\$ -	\$ -	- \$	\$ -	
S/Allowance S - S		\$ -	-	\$ -	\$	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: January 31, 2015

Environmental Complianc	e Plan
O&M Expenses	Amount
11th Previous Month	\$ 54,170
10th Previous Month	152,321
9th Previous Month	231,657
8th Previous Month	155,157
7th Previous Month	140,820
6th Previous Month	140,030
5th Previous Month	103,661
4th Previous Month	101,245
3rd Previous Month	84,785
2nd Previous Month	80,176
Previous Month	135,771
Current Month	117,593
Total 12 Month O&M	\$ 1,497,384

Determination of Working Capital Allowance						
12 Months O&M Expenses	\$	1,497,384				
One Eighth (1/8) of 12 Month O&M Expenses		1/8				
Pollution Control Cash Working Capital Allowance	\$	187,173				

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: January 31, 2015

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		*	<u></u>
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses		•	-
2011 Plan 502056 - ECR Scrubber Operations	132,718		132,718
512055 - ECR Scrubber Maintenance	89,722		89,722
506159 - ECR Sorbent Injection Operation	05,122	12,223	12,223
506152 - ECR Sorbent Reactant - Reagent Only		102,264	102,264
512152 - ECR Sorbent Injection Maintenance	48,918	1,610	50,527
506156 - ECR Baghouse Operations		-	*
512156 - ECR Baghouse Maintenance	(24,102)	-	(24,102)
506151 - ECR Activated Carbon		-	-
Adjustment for Base Rates Baseline Amounts	(202,660)		(202,660)
Total 2011 Plan O&M Expenses	44,596	116,097	160,694
Current Month O&M Expense for All Plans	\$ 44,596	\$ 116,097   \$	160,694

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: January 31, 2015

On-Site CCP Disposal O&M Expense	Trimble	County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)		<del>-</del>
1) 12 Months Ending with Expense Month	\$	-
2) Monthly Amount [(1) / 12]	\$	-
2009 Plan Project		
(3) Monthly Expense	\$	-
Total Generating Station		
(4) Monthly Expense $[(2) + (3)]$	\$	-
Base Rates		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	_
(6) Monthly Expense Amount [(5) / 12]	\$	-
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-
(8) Less 2009 Plan Project [(7) - (3)]	\$	_
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
djustment for Base Rate Amount (to ES Form 2.50)	   \$	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: January 31, 2015

Third Party	O&M Expense Account	Plant	То	tal O&M
Air Technologies	501253 - ECR Fly Ash Disposal	Trimble County	\$	548
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	12,152
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	(3,010)
Total Monthly Benefic	ial Bayra Evranca		T.\$	9,689
Total Monthly Delicit	Mai Reuse Expense		ΙΦ	9,009
Adjustment for Benefi	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(52,791)
Net Beneficial Reuse			\$	(43,101)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: January 31, 2015

On-Site CCP Disposal O&M Expense		Mill Creek	Trimble County		Total	
Evicting Paraficial Pauga Ourcerturities (Pro 2000 Plan Project)	f			1		
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)		70.060	r (24.511)	10	47.757	
(1) 12 Months Ending with Expense Month	\$	72,268	\$ (24,511		47,757	
(2) Monthly Amount [(1) / 12]	\$	6,022	\$ (2,043)	<u>\$</u>	3,980	
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	(3,010.00)	\$ 12,699	\$	9,689	
Total Beneficial Reuse - Generating Station		`		<b> </b>		
(4) Monthly Expense $[(2) + (3)]$	\$	3,012	\$ 10,657	\$	13,669	
Beneficial Reuse in Base Rates				<u> </u>		
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	S -	\$	681,243	
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$ -	S	56,770	
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(53,758)	\$ 10,657	<del> </del> s	(43,101	
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(50,748)			(52,791	
If Line (8) Greater than Zero, No Adjustment			~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	T\$	(50,748)	\$ (2,043)	) I S	(52,791	

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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	\$ 25,877,790	\$ 10,555,361	\$ 635,328	\$ 1,689,742	\$ 1,282,903	\$ 40,041,123	S	38,758,221	
Mar-14	22,710,262	8,953,358	737,593	1,431,797	596,773	\$ 34,429,783	S	33,833,010	
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026	
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718	
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215	
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613	
Aug-14	26,635,380	10,918,510	(75,838)	. 2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052	
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610	
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186	
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424	
Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1,855,524	\$ 35,861,631	\$	34,006,107	
Jan-15	Jan-15 25,822,919 10,506,870 62,450 2,140,350 2,199,648 \$ 40,732,236								
Average Monthly Ju	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,								
for 12 Months Ending Current Expense Month.								35,357,731	
		excluding Environmental			onth =		\$	84,387,873	
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-month	is ending with the Currer	nt Month			1	41.90%	

			Levenues					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM
Feb-14	\$ 30,092,354	\$ 17,742,066	\$ 864,943	\$ 570,168	\$ 1,646,347	\$ 50,915,877	\$ 49,269,531	\$ 30,662,522
Mar-14	26,879,497	14,941,102	1,151,129	541,552	835,550	\$ 44,348,829	\$ 43,513,279	\$ 27,421,049
Apr-14	26,649,517	15,270,759	911,338	516,933	. 813,545	\$ 44,162,092	\$ 43,348,547	\$ 27,166,450
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461
Nov-14	24,607,043	13,022,790	23,355	516,356	1,872,610	\$ 40,042,155	\$ 38,169,545	\$ 25,123,399
Dec-14	29,797,563	17,818,181	(468,132)	601,510	2,582,675	\$ 50,331,797	\$ 47,749,122	\$ 30,399,073
. Jan-15	29,739,784	17,420,467	(42,720)	634,771	2,734,369	\$ 50,486,670	\$ 47,752,301	\$ 30,374,555
Average Monthly Ju	risdictional Revenues, E	xcluding Environmental	Surcharge and Fuel,					
for 12 Months Endir	ng Current Expense Mon		\$ 49,030,142	\$ 31,099,162				
Average Kentucky J	Iurisdictional Revenues e	xcluding Environmental	Surcharge for 12-months	ending with Current Mo	nth =		\$ 84,387,873	a na na na na kapana
GROUP 2 Revenue	s as a Percentage of Tota	l Revenues for 12-month	s ending with the Currer	nt Month			58.10%	

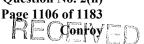
**ES FORM 3.10** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: January 31, 2015

	Ī	Revenues per Form 3.00	i	evenues per me Statement
Kentucky Retail Revenues	╂	FORM 3.00	Inco	me Statement
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	83,490,040	\$	83,490,040
(2) Fuel Adjustment Clause	\$	19,730	\$	19,730
(3) DSM	1\$	2,775,120	\$	2,775,120
(4) Environmental Surcharge	1		\$	4,934,016
(5) CSR Credits	1	-	\$	(334,432)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	86,284,890		
Non -Jurisdictional Revenues				
(7) InterSystem ( Total Less Transmission Portion Booked in Account 447)	\$	9,291,828	\$	9,291,828
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	9,291,828		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	95,576,718		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	:	90.28%		
Reconciling Revenues				-
(10) Brokered	\$		\$	
(11) InterSystem (Transmission Portion Booked in Account 447)		· .	\$	
(12) Unbilled			\$	(709,666)
(13) Miscellaneous		`	\$.	1,510,391
(14) Total Company Revenues per Income Statement =			\$	100,977,028



MAR 2 0 2015

PUBLIC SERVICE COMMISSION

State Regulation and Rates

Louisville, Kentucky 40232

robert.conroy@lge-ku.com

220 West Main Street

PO Box 32010

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Robert M. Conroy Director - Rates T 502-627-3324

F 502-627-3213

Louisville Gas and Electric Company



a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

March 20, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of February 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

bert M Conray by DAL

Enclosures

**ES FORM 1.00** 

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and **Group Environmental Surcharge Billing Factors** For the Expense Month of February 2015

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 2,055,434
Group 1 ES Billing Factor ES Form 1.10, line 17	=	5.86%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ <b>2,847,79</b> 7
Group 2 ES Billing Factor ES Form 1.10, line 17	=	9.22%

Effective Date for Billing: April billing cycle beginning April 1, 2015

Pobert M Conray By DAL

Title: Director, Rates

Date Submitted: March 20, 2015

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of February 2015

#### Calculation of Total E(m)

E(m) = [(RB /	12) (ROR+(RO	DR - 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		=	\$	738,255,113
(2)	RB / 12		=	\$	61,521,259
(3)	(ROR + (ROR - E	PR) (TR / (1 - TR)))	=		10.43%
(4)	OE		=	\$	885,889
(5)	BAS		=	\$	0
(6)	BR		=	\$	(30,200)
(7)	E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$	7,272,357

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	83.18%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 6,049,147
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,145,916
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 4,903,231

Calculation of Group Environmental Surcharge Billing Factors

			GROU	P I (Total Revenue)	GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.92%		58.08%
(15)	Group E(m) [(13) x (14)]	=	\$	2,055,434	\$	2,847,797
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,101,373	\$	30,880,256
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		5.86%		9.22%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of February 2015

Determination of Environmental Compliance Rate Base

	 Enviromental C	Compli	iance Plan
Eligible Pollution Control Plant	\$ 260,305,557		
Eligible Pollution CWIP Excluding AFUDC	475,907,545		
Subtotal		\$	736,213,102
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	173		
Cash Working Capital Allowance	214,752		
Subtotal			214,925
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	(56,081,258)		
Pollution Control Deferred Income Taxes	54,254,172		
Subtotal			(1,827,086)
Environmental Compliance Rate Base		\$	738,255,113

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 305,000
Monthly Depreciation & Amortization Expense	490,883
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	90,002
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	4
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 885,889

**Determination of Beneficial Reuse Operating Expenses** 

	Environm	ental
	Complianc	e Plan
Total Monthly Beneficial Reuse Expense	\$	22,256
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(52,456)
Net Beneficial Reuse Operations Expense	\$	(30,200)

Proceeds From By-Product and Allowance Sales

		Γotal	Ame	ount in		Net	
	Pr	oceeds	Bas	e Rates_	<u> </u>	Proceeds	
		(1)		(2)		(1) - (2)	
Allowance Sales	\$	0	\$		\$		0
Scrubber By-Products Sales		-		<del>-</del>			-
Total Proceeds from Sales	\$	0	\$	•	\$		0

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: February 28, 2015

(1)		(2)		(3)	<u> </u>	(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 2/28/2015	Monthly ITC Amortization Credit	D	Monthly repreciation Expense	P	Monthly roperty Tax Expense
	Ţ							(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]															
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354	\$	745,716	1	-	\$	8,853,638		634,642		\$	19,647	S	1,112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$		\$	-	\$	12,983,650		12,983,650		-		\$	-	S	1,590
Project 25 - Beneficial Reuse	8	4,636,272	\$	255,381	\$	(79,542)	\$	4,301,349	\$	897,299		\$	9,504	S	540
Subtotal	S	14,235,626	\$	1,001,098	\$	12,904,108	\$	26,138,636	S	1,531,942		\$	29,151	\$	3,242
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	(365,982)	\$	(202,574)	\$	-	s	(163,408)	\$	(63,566)		\$	(775)	\$	(20)
Net Total - 2009 Plan:	\$	13,869,644	\$	798,523	S	12,904,108	\$	25,975,228	\$	1,468,376		\$	28,376	\$	3,222
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	328,596,413	\$	1,655,063	\$ \$	394,118,509 68,884,927		721,0 <b>5</b> 9,859 68,884,927		57,957,313		\$ \$	570,219	s s	82,411 7,323
Subtotal	\$	328,596,413	\$	1,655,063	S	463,003,436	\$	789,944,786	\$	57,957,313		\$	570,219	\$	89,734
Less Retirements and Replacement resulting from implementation of 2011 Plan	s	(82,160,499)	\$	(58,534,845)	\$	-	s	(23,625,654)	s	(5,171, <b>5</b> 17)		\$	(107,713)	\$	(2,953)
Net Total - 2011 Plan:	\$	246,435,913	\$	(56,879,782)	\$_	463,003,436	\$	766,319,131	\$	52,785,796	\$ -	\$	462,506	\$	86,781
Net Total - All Plans:	15	260,305,557	•	(56,081,258)	6	475,907,545		792,294,360		54,254,172	6	S	490,883	-	90,002

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: February 28, 2015

Vintage Year	Nun	nber of Allowane	ces		Tot	al Dol	lar Value Of Vintag	ge Year	ſ	Comments and Explanations
	SO ₂	NOx	NOx		SO ₂		NOx		NOx	
	(Note 1)	Annual	Ozone Season		(Note 2)		Annual		Ozone Season	
Current Year	147,637	11,503	5,903	\$	180.11	\$	-	\$	-	
2016	101,314									
2017	62,379									
2018	62,379									
2019	62,379									
2020	62,379									
2021	62,379									
2022	62,379									
2023	62,379									
2024	62,379									
2025	62,379									
2026	62,379		_							
2027	62,379			<u> </u>						
2028	62,379							$\perp$		
2029	62,379									
2030	62,379			<u> </u>						
2031	62,379									
2032	62,379									
2033	62,379									
2034	62,379									
2035 - 2044	623,790								_	

Note 1: Includes CAIR allowances of 114,904 for the current year and 62,379 for years 2016 through 2044. Includes CSAPR allowances of 35,447 for the current year and 38,935 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.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2015

nning ntory		Allocations/ Purchases	1	Utilized Coal Fuel)		Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
WANG	TEC D	N INVENTORY		CLASSIEIC		ONE					
153,06		0	ALL	5,268	AII	<u> </u>	1	160		147,637	
	36 \$		\$		\$		<u>s</u>	0.12	\$	180.11	
104,2	\$		\$	4,15	\$	<del>-</del>	\$	0.12	\$	180.11	
			<u> </u>			<del></del>	13		1 3		
CES F	ROM	EPA: COAL F	UEL								
146,85	50	0		5,140		0		160		141,550	
171.3	39 \$	5.40	\$	4.03	\$		\$	0.12	\$	172.64	
6,21		(5.40)	•	128	•	0		0	e e	6,087	
CESE	DOM	EPA: OTHER	TOTAL TOTAL	c							
	97 \$		\$	0.10	5		\$		\$	7,47	<del></del>
12.7	<del>"   "</del>	(3.10)	<del>                                     </del>	- 0.10	<del></del>		+		-		
							.J		l		
URCHA	ASES:	<u>:</u>									
-		0		0		<u> </u>					
			\$	-	\$	<u> </u>	\$	-	\$		
-	\$	<u> </u>	\$	-	\$		\$		\$	<u> </u>	
		_	,								
		_					1_				
-		0		0		<u></u> -				_	
-			\$	-	\$	-	\$		\$		
	\$	-	\$	-	\$	•	\$	-	\$	-	
			1 4		1 -		] 4		<u>L.Ψ</u>		
			_		_						

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CAIR Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of February 2015

	Beginnin		Allocations/	ļ	Utilized	İ	Utilized				Ending	Allocation, Purchase, or
	Inventor	1	Purchases		(Coal Fuel)	<u> </u>	(Other Fuels)	<u> </u>	Sold	<u>L</u>	Inventory	Sale Date & Vintage Years
TOTAL EMISS	SION ALLOWA	CES	IN INVENTOR	Y, A	LL CLASSIFIC	ATIC	ONS					
Quantity	117	518			2,634		0		80	1	114,904	
Dollars	\$ 18	.36	\$ -	\$				S	0.12	\$	180.11	
\$/Allowance	S	- 1	\$ -	S	-	S	-	\$		\$	-	
	<u> </u>										· · · · · · · · · · · · · · · · · · ·	
ALLOCATED . Quantity	ALLOWANCES 112		M EPA: COAL	FUE	2,570			т—	80	1	110 139	Sale of 80 allowances is related to KU 81% share.
Dollars		.39	\$ 5.40	5 8				\$	0.12	s		Adjustment of \$5.40 to reflect true value of allowances.
Dollars	3 17	.57	3.40	, 1 - 3	4.03	<del>                                     </del>		+-	0.12	1.0	172.04	Adjustifient of \$5.40 to reflect true value of allowances.
			M EPA: OTHE	R FU								
				_								
			M EPA: OTHE	R FU		1				1	4 766	Adjustment of \$5.40 to reflect true value of allowances
Quantity	4	830			64	_				   S		Adjustment of \$5.40 to reflect true value of allowances.
	4				64	_		\$		\$	4,766 7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars	\$ 1	.97	\$ (5.40		64	_		\$		\$		Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars ALLOWANCE	4	.97	\$ (5.40		64	_		\$		\$		Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market:	\$ 1	.97	\$ (5.40		64	_		\$		\$		Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1	.97	\$ (5.40 ES:	)) <b>\$</b>	64 0.10	\$						Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars	\$ 1	.97 LASI	\$ (5.40 ES:	(S) S	64 0.10	\$	-	\$	-	\$	7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity	\$ 1	.97 LASI	\$ (5.40 ES:	)) <b>\$</b>	64 0.10	\$					7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars \$/Allowance	\$ 1	.97 LASI	\$ (5.40 ES:	(S) S	64 0.10	\$		\$		\$	7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance From KU	\$ 1	.97 LASI	\$ (5.40 ES:	(S) S	64 0.10	\$		\$		\$	7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance From KU Quantity	S FROM PURC	.97 LASI	\$ (5.40 ES: \$ - \$ -	(S) S	64 0.10	\$ \$		\$ \$		\$	7.47	Adjustment of \$5.40 to reflect true value of allowances.
Quantity Dollars  ALLOWANCE From Market: Quantity Dollars S/Allowance From KU	\$ 1	1.97 LASI	\$ (5.40 ES: - \$ - \$ -	(S) S	64 0.10	\$	-	\$		\$	7.47	Adjustment of \$5.40 to reflect true value of allowances.

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC 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 EMISSI	ON ALLOWANCES	S IN INVENTORY	ALL CLASSIFIC	EATIONS			-	
Quantity	35,447	0	2,634	0		80	32,733	
Dollars	\$ -	\$ -	S -	\$ -	\$	- \$		
Allowance	\$ -	\$ -	\$ -	\$ -	\$	- \$	-	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL F						
Quantity	34,062	-	2,570			80	31,412	Sale of 80 allowances is related to KU 81% share.
Dollars	\$ -	\$ -	\$ -		\$	- \$		
ALLOCATED A								
Quantity	1,385		64		<u> </u>	-	1,321	
Quantity Dollars		I				- \$		
Quantity	1,385		64		<u> </u>			
Quantity Dollars	1,385	\$ -	64		<u> </u>			
Quantity Dollars ALLOWANCES	\$ -	\$ -	64		<u> </u>			
Quantity Dollars  ALLOWANCES rom Market: Quantity	\$ -	\$ -	64		\$			
Quantity Dollars  ALLOWANCES from Market: Quantity	1,385 \$ -	ES:	64	\$ -	\$	- S		
Quantity Dollars	1,385 \$ - FROM PURCHAS	ES:	\$ -	<del></del>	\$	- \$		
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars 5/Allowance	FROM PURCHAS	ES:	64 \$ -	\$ -	\$	- S		
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars  5//Allowance	FROM PURCHAS	ES:	64 \$ -	\$ -	\$	- S		
Quantity Dollars  ALLOWANCES rom Market: Quantity Dollars Dollars Dollars Tom KU	FROM PURCHAS	ES:	64 \$ -	\$ -	\$ \$ \$ \$	- S		
Quantity Dollars  ALLOWANCES from Market: Quantity Dollars	1,385 \$ - FROM PURCHAS - \$ - \$ -	ES: - S	64 \$ - \$ - \$ -	\$ -	\$ \$ \$ \$	- \$ - \$ - \$		

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

For the Expense Month of February 2015

		inning entory	Alloca Purch		Utilize (Coal F		Utilized (Other Fuels)		Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years	
TOTAL EMISS	SION ALLC	)WANCE:	S IN INVE	NTORY.	. ALL CLAS	SSIFIC	ATIONS					
Quantity		5,903		0	<u> </u>	0		0	0	5,903		
Dollars	s	-	\$		\$	-	\$	_	\$ -	\$ -		
\$/Allowance	\$	-	\$	-	\$	_	\$	_	\$ -	\$ -		
ALLOCATED A	ALLOWAN		DM EPA: C		UEL					5.500	<del></del>	
Quantity		5,596			-			0	0	5,596	<u> </u>	
Dollars	\$		\$		S		\$	-+	<u> </u>	\$	<del></del>	
	ALLOWAN		M EPA: (	OTHER I	FUELS							
Quantity		NCES FRO 307		OTHER I				-	<u>-</u>	307		
ALLOCATED A Quantity Dollars	ALLOWAN \$		OM EPA: (		FUELS S	-		$\overline{}$	- \$ -	\$ -		
Quantity Dollars  ALLOWANCE: From Market:	S	307 - URCHAS	\$	-		-		-	\$ -	s -		
Quantity Dollars  ALLOWANCE: From Market: Quantity	S FROM PI	307 - URCHAS	S ES:	- 0	S		\$	0	0	\$ -		
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	S FROM PI	307 - URCHAS	S ES:	0	\$	-	\$	0	\$ - 0 \$ -			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	S FROM PI	307 - URCHAS	S ES:	- 0	S	0	\$	0	0	\$ -		
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	S FROM PI	307 - URCHAS	S ES:	0	\$	0	\$	0	\$ - 0 \$ -			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars S/Allowance From KU:	S FROM PI	307 - URCHAS	S ES:	0	\$	0	\$	0	\$ - 0 \$ -			
Quantity	S FROM PI	307 - URCHAS	S ES:	0	\$	0	\$ \$ \$	0 -	S - 0 S - \$ -	\$ - C		

## LOUISVILLE GAS AND ELECTRIC 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 EMISS	ION ALLOWANCE	S IN INVENTORY	. ALL CLASSIFIC	CATIONS			-
Quantity	12,998		1,402		50	11,503	
Dollars	\$ -	\$ -	\$ -	s -	\$ -	s -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	12,165	-	1,336	-	50	10,779	Sale of 50 allowances is related to KU 81% share.
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	S -	
	ALLOWANCES FRO			12		704	
Quantity	833	-	66		-	724	
				43	\$ -	724 \$ -	
Quantity Dollars  ALLOWANCES	833	\$ -	66			<del></del>	
Quantity Dollars  ALLOWANCES From Market:	833 \$ -	S -	66	\$ -	S -	\$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity	833 \$ - S FROM PURCHAS	ES:	66	0	S -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	833 \$ - S FROM PURCHAS 0 \$ -	ES: 0 \$ -	66 \$ -	0	0 \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity	833 \$ - S FROM PURCHAS	ES:	66	0	S -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	833 \$ - S FROM PURCHAS 0 \$ -	ES: 0 \$ -	66 \$ -	0	0 \$	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	833 \$ - S FROM PURCHAS 0 \$ -	ES: 0 S - S -	0 \$ -	S - 0 S - S -	0 \$	0 \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	833 S FROM PURCHAS  0 S -	ES: 0 S - S -	0 \$ -	S - 0 S - S -	0 \$ -	0 \$ -	

# LOUISVILLE GAS AND ELECTRIC 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	\$ 152,32				
10th Previous Month	231,657				
9th Previous Month	155,157				
8th Previous Month	140,820				
7th Previous Month	140,030				
6th Previous Month	103,66				
5th Previous Month	101,245				
4th Previous Month	84,785				
3rd Previous Month	80,176				
2nd Previous Month	135,771				
Previous Month	117,593				
Current Month	274,800				
Total 12 Month O&M	\$ 1,718,014				

Determination of Working Capital	Allowance	
12 Months O&M Expenses \$		1,718,014
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	214,752

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: February 28, 2015

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations			
512107 - ECR Landfill Maintenance	_		
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses		-	
2011 Plan			
502056 - ECR Scrubber Operations	95,131	<u> </u>	95,131
512055 - ECR Scrubber Maintenance	65,540		65,540
506159 - ECR Sorbent Injection Operation	-	11,381	11,381
506152 - ECR Sorbent Reactant - Reagent Only	116,273	98,888	215,161
512152 - ECR Sorbent Injection Maintenance	57,170	688	57,858
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	1,593	-	1,593
506151 - ECR Activated Carbon	60,996	-	60,996
Adjustment for Base Rates Baseline Amounts	(202,660)	İ	(202,660)
Total 2011 Plan O&M Expenses	194,044	110,956	305,000

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: February 28, 2015

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
djustment for Base Rate Amount (to ES Form 2.50)	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: February 28, 2015

Third Party	O&M Expense Account	Plant	To	otal O&M
C and B Marine Legner Energy Group Charah	501253 - ECR Fly Ash Disposal 501253 - ECR Fly Ash Disposal 502011 - ECR Other Waste Disposal	Trimble County Trimble County Mill Creek	\$ \$ \$	10,096 6,301 5,859
Total Monthly Benefic	ial Reuse Expense		\$	22,256
Adjustment for Benefic Net Beneficial Reuse (	cial Reuse in Base Rates (from ES Form 2. D&M Expense	61)	\$	(52,456) (30,200)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: February 28, 2015

On-Site CCP Disposal O&M Expense		Mill Creek	Trin	ible County		Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	77,474	\$	(25.704)	•	51,770
(1) 12 Monthly Amount [(1) / 12]	\$	6,456	\$			4,314
(2) Monthly Amount [(1)/ 12]	- 1 p	0,430	J.	(2,142)	\$	4,314
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	5,859.26	\$	16,397	\$	22,256
Total Beneficial Reuse - Generating Station					-	
(4) Monthly Expense [(2) + (3)]	\$	12,315	\$	14,255	\$	26,571
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	_	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(44,455)	\$	14,255	\$	(30,200)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(50,314)		(2,142)		(52,456)
If Line (8) Greater than Zero, No Adjustment						<u> </u>
If Line (8) Less than Zero, Adjustment for Base Rates						
Adjustment for Base Rate Amount (to ES Form 2.60)	1\$	(50,314)	\$	(2,142)	\$	(52,456)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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 Ju	urisdictional 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	\$ 22,710,262	\$ 8,953,358	\$ 737,593	\$ 1,431,797	\$ 596,773	\$ 34,429,783	\$	33,833,010
Apr-14	18,712,899	6,890,013	386,598	1,361,517	511,398	\$ 27,862,424	\$	27,351,026
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878	\$ 28,815,597	\$	28,159,718
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,05
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,61
Oct-14	20,145,906	7,592,118	40,806	1,500.356	1,079,561	\$ 30,358,747	\$	29,279,186
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424
Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1,855,524	\$ 35,861,631	\$	34,006,10
Jan-15	25,822,919	10,506,870	62,450	2,140,350	2,199.648	\$ 40,732,236	\$	38,532,589
Feb-15		9,582,530	446,597	2,001,357	2,069,347	\$ 37,751,275	\$	35,681,928
Average Monthly Ju	ırisdictional Revenues, E	xcluding Environmental	Surcharge,					
	ding Current Expense Month.						35,101,373	
Average Kentucky J	Jurisdictional Revenues e	isdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month = \$						83,725,190
GROUP 1 Revenue	s as a Percentage of Tota	al Revenues for 12-month	is ending with the Currer	t Month				41.92%

	i •		GRO	OUP 2 (Net Revenues) - l	Kentucky Jurisdictional R	levenues		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM (2)+(5)
Mar-14	\$ 26,879,497	\$ 14,941,102	\$ 1,151,129	\$ 541,552	\$ 835,550			
Apr-14	26,649,517	15,270,759	911,338	516,933	813,545			
May-14	31,038,295	17,114,221	983,142	582,699	1,149,099	\$ 50,867,456	\$ 49,718,357	\$ 31,620,994
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	\$ 56,225,300	\$ 54,645,379	\$ 33,953,337
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525	\$ 55,992,262	\$ 54,250,737	\$ 34,496,984
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461
Nov-14	24,607,043	13,022,790	23,355	516,356	1,872,610	\$ 40,042,155	\$ 38,169,545	\$ 25,123,399
Dec-14	29,797,563	17,818,181	(468,132)	601,510	2,582,675	\$ 50,331,797	\$ 47,749,122	\$ 30,399,073
Jan-15	29,739,784	17,420,467	(42,720)	634,771	2,734,369	\$ 50,486,670	\$ 47,752,301	\$ 30,374,555
Feb-15	27,448,052	15,779,120	578,857	587,594	2,574,946	\$ 46,968,570	\$ 44,393,624	\$ 28,035,646
for 12 Months Endi	ng Current Expense Mo						\$ 48,623,817	\$ 30,880,256
		excluding Environmental			nth =		\$ 83,725,190	
GROUP 2 Revenue	GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month 58.08%							

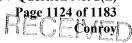
**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: February 28, 2015

		 Revenues per	P	evenues per
		Form 3.00		ome Statement
Kentuc	ky Retail Revenues	1011113.00		me statement
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$ 76,461,147	\$	76,461,147
(2)	Fuel Adjustment Clause	\$ 1,025,454	\$	1,025,454
(3)	DSM	\$ 2,588,950	\$	2,588,950
(4)	Environmental Surcharge		\$	4,644,293
(5)	CSR Credits		\$	(336,465)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 80,075,552		
Non -Ju	risdictional Revenues			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$ 16,190,427	\$	16,190,427
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$ 16,190,427		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$ 96,265,979		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =	83.18%		
Reconc	iling Revenues			
(10)	Brokered	\$ -	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)		\$	
(12)	Unbilled		\$	2,864,245
(13)	Miscellaneous		\$	1,389,863
(14)	Total Company Revenues per Income Statement =		\$	104,827,915





## PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy
Director - Rates
T 502-627-3324
F 502-627-3213
robert.conroy@lge-ku.com



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), Louisville Gas and Electric Company ("LG&E") 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. 2013-00437, LG&E 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 LG&E'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,

Robert M. Conroy

Enclosures

### INVOICE FOR PROFESSIONAL FEES AND SERVICES

FOR: VANTAGE ENERGY CONSULTING, LLO

FED TAX ID # 27-2585037

INVOICE DATE:

2/4/2016

INVOICE #:

201501056

INVOICE PERIOD: PROJECT NAME: 1/1/2015 - 1/31/2015

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

Reviewed quarterly report as well as three EPO reports. Visited two plants

CONSULTANT	MONTH	HOURS WORKED	HOURLY RATE	BILLABLE FEES	BILLABLE EXPENSES	PERIOD : AMOUNT	TOTALS
Walt Drebinski Chuck Buechel Mike Boismenu	1/1/2015 - 1/31/2015 1/1/2015 - 1/31/2016 1/1/2015 - 1/31/2016	25 24 31	\$240 \$240	\$5,780:00 \$7,440.00	\$366.64 \$926.09	\$6,120,64	
SUB TOTALS TOTAL FEES TOTAL PERSONAL OVERNIGHT MAIL COPYING - Black/M COPYING - Color MISCELLANEOUS				\$19,700.60	\$2,756.47	\$22,466,47	\$18,700.00 \$2,786.47 \$0.00 \$0.00 \$0.00
Invoice Amount	i				•		\$22,456.47
TOTAL MONTHL	Y INVOICE AMOU	NT			1	,	\$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:

Vantagé Energy Consulting, LLC.

PO Box 420395

Summerland Key, FL 33042 Attn: Walter P. Drabinski

305-394-0784

53% KU

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of March 2015

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 2,383,230
Group 1 ES Billing Factor ES Form 1,10, line 17	=	6.74%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	=	\$ 3,307,385
Group 2 ES Billing Factor ES Form 1.10, line 17		10.61%

Effective Date for Billing: May billing cycle beginning April 30, 2015

Submitted by:

Title: Director, Rates

Date Submitted: April 20, 2015

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

#### For the Expense Month of March 2015

#### Calculation of Total E(m)

E(m) = [(RB / 12) (1)]	ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	==	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS		Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

				Environmental Compliance Plans
(1)	RB			\$ 779,523,251
(2)	RB / 12			\$ 64,960,271
(3)	(ROR + (ROR - I	DR) (TR / (1 - TR)))	=	10,43%
(4)	OE			\$ 778,476
(5)	BAS		=	\$ 110
(6)	BR		=	\$ (17,771)
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	=	\$ 7,535,952

Calculation of Adjusted Net Jurisdictional E(m)

			 ***************************************
(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	91.90%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 6,925,540
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	==	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,234,925
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	****	\$ 5,690,615

Calculation of Group Environmental Surcharge Billing Factors

			GROUP	1 (Total Revenue)	GROU	P 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.88%		58.12%
(15)	Group E(m) [(13) x (14)]	=	\$	2,383,230	\$	3,307,385
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,364,155	\$	31,166,239
(17)	Group Environmental Surcharge Billing Factors $[(15) \div (16)]$	=		6.74%		10.61%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of March 2015

**Determination of Environmental Compliance Rate Base** 

	Enviromental	Compliance Plan
Eligible Pollution Control Plant	\$ 264,241,642	
Eligible Pollution CWIP Excluding AFUDC	514,349,799	Section of a section
Subtotal	TWEE ARTHUR TO V	\$ 778,591,441
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	169	
Cash Working Capital Allowance	216,382	
Subtotal		216,551
Deductions:		
Accumulated Depreciation on Eligible Pollution Control Plant	(55,495,998)	
Pollution Control Deferred Income Taxes	54,780,739	
Subtotal		(715,259)
Environmental Compliance Rate Base	11.14.19.1	\$ 779,523,251

**Determination of Pollution Control Operating Expenses** 

Determination of Fondition Control Operating Expenses	
	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 183,134
Monthly Depreciation & Amortization Expense	494,787
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	89,997
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	3
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	10,555
Total Pollution Control Operations Expense	\$ 778,476

**Determination of Beneficial Reuse Operating Expenses** 

Determination of Beneficial Reuse Operating Expenses	I Environment	al
	Compliance P	
Total Monthly Beneficial Reuse Expense	\$ 33.	,482
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)	(51,	,253)
Net Beneficial Reuse Operations Expense	\$ (17.	,771)

Proceeds From By-Product and Allowance Sales

	To	otal	Amo	unt in		Net
	Proc	eeds	Base	Rates	P	roceeds
	(	1)	(	(2)	(	(1) - (2)
Allowance Sales	\$	110	\$		\$	110
Scrubber By-Products Sales		-		-		-
Total Proceeds from Sales	\$	110	\$	-	\$	110

### LOUISVILLE GAS AND ELECTRIC 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		Deferred Tax Balance as of 3/31/2015	Monthly ITC Amortization Credit	Ι	Monthly Depreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]															
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354		765,363		<del>-</del>	\$	8,833,991		644,780		\$	19,647		1,112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	4,067,717		4,152		9,022,908	S	13,086,473		71,381		\$	4,152		1,590
Project 25 - Beneficial Reuse	S	4,556,730	2	264,672	2	-	S	4,292,058	\$	898,751		\$	9,291	S	540
Subtotal	\$	18,223,801	\$	1,034,187	\$	9,022,908	\$	26,212,522	\$	1,614,911		\$	33,089	S	3,241
Less Retirements and Replacement resulting from implementation of 2009 Plan	s	(418,072)	\$	(220,623)	\$	-	s	(197,449)	\$	(76,808)		\$	(809)	s	(25)
Net Total - 2009 Plan:	\$	17,805,729	\$	813,564	\$	9,022,908	\$	26,015,072	\$	1,538,103		\$	32,280	\$	3,217
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	s s	328,596,413	\$ \$	2,225,282	s s	432,182,944 73,143,947		758,554,075 73,143,947		58,414,153		s s	570,219	S S	82,411 7,323
Subtotal Less Retirements and Replacement resulting	\$	328,596,413	\$	2,225,282	\$	505,326,891	\$	831,698,021	s	58,414,153		S	570,219	S	89,734
from implementation of 2011 Plan	s	(82,160,499)	s	(58,534,845)	s	-	s	(23,625,654)	s	(5,171,517)		s	(107,713)	s	(2,953)
Net Total - 2011 Plan:	\$	246,435,913	\$	(56,309,562)	\$	505,326,891	\$	808,072,367	\$	53,242,636	\$ -	S	462,506	S	86,781
Net Total - All Plans:	\$	264,241,642	\$	(55,495,998)	\$	514,349,799	\$	834,087,439	\$	54,780,739	\$ -	\$	494,787	\$	89,997

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: March 31, 2015

Vintage Year	Nun	nber of Allowan	ces	Tot	al Dollar Value Of Vinta	age Year	Comments and Explanations
	SO ₂	NOx	NOx	$SO_2$	NOx	NOx	
	(Note 1)	Annual	Ozone Season	(Note 2)	Annual	Ozone Season	
Current Year	143,081	10,335	5,903	\$ 176.54	\$ -	- \$ -	
2016	101,314						
2017	62,379						
2018	62,379						
2019	62,379						
2020	62,379						
2021	62,379						
2022	62,379						
2023	62,379						
2024	62,379						-
2025	62,379						
2026	62,379						
2027	62,379						
2028	62,379						
2029	62,379						
2030	62,379						
2031	62,379						
2032	62,379						
2033	62,379						
2034	62,379						
2035 - 2044	623,790						

Note 1: Includes CAIR allowances of 114,904 for the current year and 62,379 for years 2016 through 2044. Includes CSAPR allowances of 35,447 for the current year and 38,935 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.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO₂) - Current Vintage Year

#### For the Expense Month of March 2015

	Beginning Inventory	Allocat Purch		Utilized (Coal Fuel)		Utilized ther Fuels)	Solo	d	Ending Inventory	·	Allocation, Purchase, or Sale Date & Vintage Years	
TOTAL EMISS	ION ALLOWANC	ES IN INVE	NTORY.	, ALL CLASSIFIC	CATIONS							
Quantity	147,63		0	4,400		0		156	143,081			
Dollars	\$ 180.1	\$	-	\$ 3.45		_	\$	0.12	\$ 176.54			
\$/Allowance	\$ -	\$	-	\$ -	\$	-	\$	-	\$ -			
ALLOCATED A	ALLOWANCES FI	OM EPA: O	COAL F									
Quantity	141,55	)	0	4,232		0		156	137,162			
Dollars	\$ 172.6	1 \$		\$ 3.32	\$	-	\$	0.12	\$ 169.20			
		1										
	ALLOWANCES FI						ı		5.010			
<b>ALLOCATED</b> A Quantity Dollars	6,08		<b>OTHER</b> 0	FUELS 168 \$ 0.13		0	\$	0	5,919 \$ 7,34			
Quantity Dollars	\$ 7.4	7 \$	0	168			<u> </u>					
Quantity Dollars  ALLOWANCE:	6,08	7 \$	0	168			<u> </u>					
Quantity Dollars  ALLOWANCE: From Market:	\$ 7.4	7 \$	0	168	\$		<u> </u>					
Quantity Dollars	6,08 \$ 7.4 S FROM PURCHA	7 \$	0	168 \$ 0.13	\$		<u> </u>		\$ 7.34			
Quantity Dollars  ALLOWANCE: From Market: Quantity	6,08 \$ 7.4 S FROM PURCHA	7   7   \$   SES:	0	168 \$ 0.13	\$	-	\$	_	\$ 7.34			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	6,08 \$ 7.4 5 FROM PURCHA - \$ -	7   7   \$   \$   \$   \$   \$   \$   \$   \$	0 -	168 \$ 0.13	\$	-	\$	-	\$ 7.34 - \$ -			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars \$/Allowance	6,08 \$ 7.4 5 FROM PURCHA - \$ -	7   7   \$   \$   \$   \$   \$   \$   \$   \$	0 -	168 \$ 0.13	\$	-	\$	-	\$ 7.34 - \$ -			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars S/Allowance	6,08 \$ 7.4 5 FROM PURCHA - \$ -	7   7   \$   \$   \$   \$   \$   \$   \$   \$	0 -	168 \$ 0.13	\$	-	\$	-	\$ 7.34 - \$ -			
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars	6,08 \$ 7.4 S FROM PURCHA - \$ - \$ -	7   7   \$   \$   \$   \$   \$   \$   \$   \$	0	168 \$ 0.13	\$	- - - -	\$		\$ 7.34 - \$ - \$ -			

#### SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

## LOUISVILLE GAS AND ELECTRIC 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 EMISSI	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	114,904	0	2,200	0	78	112,626	
Dollars	\$ 180.11	S -	\$ 3.45	\$ -	\$ 0.12	\$ 176.54	
\$/Allowance	\$ -	S -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	M EPA: COAL F	UEL				
Quantity	110,138		2,116		78		Sale of 78 allowances is related to KU 81% share.
Dollars	\$ 172.64	\$ -	\$ 3.32		S 0.12	\$ 169.20	
ALLOCATED A	LLOWANCES ERG	M FPA- OTHER	FHEIS				
·	LLOWANCES FRO	M EPA: OTHER					
Quantity	4,766	***************************************	84		*	4,682	
ALLOCATED A Quantity Dollars		***************************************			s -	\$ 4,682 \$ 7.34	
Quantity Dollars  ALLOWANCES From Market;	4,766	\$ -	84		1		
Quantity Dollars  ALLOWANCES From Market: Quantity	4,766 \$ 7.47 FROM PURCHAS	S - ES:	\$ 0.13	-	\$ -	\$ 7.34	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,766 \$ 7.47 FROM PURCHAS	ES: - \$ -	84 \$ 0,13	\$ -	\$ - \$ -	\$ 7.34 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,766 \$ 7.47 FROM PURCHAS	S - ES:	\$ 0.13		\$ -	\$ 7.34	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	4,766 \$ 7.47 FROM PURCHAS	ES: - \$ -	84 \$ 0,13	\$ -	\$ - \$ -	\$ 7.34 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	### 4,766  \$ 7.47  FROM PURCHAS	ES: - S - S -	84  \$ 0.13	\$ - \$ -	\$ - \$ - \$ - \$ -	\$ 7.34 - \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	### 4,766  \$ 7.47  FROM PURCHAS	S - ES: - S - S -	84 \$ 0.13	\$ -	\$ - \$ - \$ - \$ -	\$ 7.34 	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	### 4,766  \$ 7.47  FROM PURCHAS	ES: - S - S -	84  \$ 0.13	\$ - \$ -	\$ - \$ - \$ - \$ -	\$ 7.34 - \$ - \$ -	

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CSAPR Emission Allowances (SO₂) - Current Vintage Year

### For the Expense Month of March 2015

TOTAL EMISSION A Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLO Quantity	32,733	0 \$ - \$ -	2,200 \$ -	0	Sold 78	Inventory	Sale Date & Vintage Years
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLO Quantity	32,733	0 \$ - \$ -	2,200 \$ -	0	78		
Quantity Dollars \$ \$/Allowance \$  ALLOCATED ALLO Quantity	32,733	0 \$ - \$ -	2,200 \$ -	0	78		
Dollars \$ \$/Allowance \$  ALLOCATED ALLO Quantity	-	\$ - \$ -	\$ -		78		
\$/Allowance \$  ALLOCATED ALLO  Quantity		\$ -		6		30,455	
ALLOCATED ALLO			· C	\$ -	\$ -	\$ -	
Quantity	WANCES FRO		\$ -	-	\$ -	-	
Quantity	WANCES FRO						
		M EPA: COAL F	UEL				
	31,412	-	2,116		78		Sale of 78 allowances is related to KU 81% share.
Dollars \$	-	\$ -	\$ -		\$ -	\$ -	
ALLOCATED ALLO		M EPA: OTHER			,		
Quantity	1,321	-	84		-	1,237	
Dollars \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	
			<u> </u>		]	<u> </u>	
ALLOWANCES FRO	OM PURCHASE	CS:				T	
From Market:							
Quantity	-	-	-	_	-	-	Planting to the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the state of the st
Dollars \$		\$ -	\$ -	\$ -	\$ -	-	- AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPLIANCE - AMPL
\$/Allowance \$		\$ -	-	-	\$ -		
			1			1	
From KU							
Quantity	-	<del>-</del>	-	-		-	
Dollars \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance \$	-	\$ -	\$ -	\$ -	\$ -	\$ -	

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of March 2015

		inning entory	Allocation Purchas		Utilized (Coal Fuel)	Utilized (Other Fuels)		Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLO	WANCES	S IN INVEN	TORY.	ALL CLASSIFIC	ATIONS		100			
Quantity	1	5,903		0	0		0	0		5,903	· · · · · · · · · · · · · · · · · · ·
Dollars	\$	-	\$	_	\$ -	\$ -	T	\$ -	\$	-	
\$/Allowance	\$	-	\$	-	\$ -	\$ -		\$ -	\$	-	
ALLOCATED A	LLOWAN	CES FRO	M EPA: CO	OAL FU	ÆL	_					
Quantity		5,596		-	-		0	0		5,596	
Dollars	\$	-	S	-	\$ -	\$ -	T	\$ -	\$	-	
							T				
ALLOCATED A Quantity	LLOWAN	ICES FRO	M EPA: OT	THER I	FUELS -	_	-		Γ	307	
Dollars	\$	-	\$	-	s -	\$ -	1	\$ -	\$	_	
							$\neg$				
ALLOWANCES	FROM P	URCHASI	ES:								
			1				- 1		ı		
			-		_		Λ I		-		
Quantity		0	6	0	0		0	0		0	
Quantity Dollars	\$	-	\$	-	\$ -	\$ -		\$ -	\$	-	
Quantity Dollars	\$		\$		·				\$		
Quantity Dollars \$/Allowance	_	-		-	\$ -	\$ -		\$ -		-	
Quantity Dollars  B/Allowance  Trom KU:	_	-		-	\$ - \$ -	\$ - \$ -		\$ - \$ -			
Quantity Dollars \$/Allowance From KU: Quantity Dollars	_	-		-	\$ -	\$ - \$ -	0	\$ -		-	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of March 2015

	Beginning	Allocations/		Utilized	Utilized		. , ,		Ending	Allocation, Purchase, or
	Inventory	Purchases	1 (0	oal Fuel)	(Other Fuels)	1 2	Sold	In	ventory	Sale Date & Vintage Years
TOTAL EMISSIC						- <del></del>				
Quantity	11,503		0	1,103			44		10,335	
Dollars	\$ -			-	\$ -	\$	-	\$	-	
\$/Allowance	-	\$ -	\$		\$ -	\$		\$	-	
ALLOCATED AL	LOWANCES FR	OM EPA: COAL	FUEL							
Quantity	10,779	+	-	1,042	-		44		9,693	Sale of 44 allowances is related to KU 81% share.
Dollars	\$ -	\$ -	\$	-	\$ -	\$	-	\$	-	
										MIN .
ALLOCATEDAL	LOWANCES ED	OM EDA OTHE		~						
ALLOCATED AL	•		KFUEL		21	1			£40	
Quantity Dollars	724 \$ -		\$	61	\$ -	-	-	<u></u>	642	
Dollars	ъ -		12	-	-	\$	-	\$	-	·
		<u> </u>			1	L				
ALLOWANCES I	FROM PURCHAS	SES:								
From Market:						1				
Quantity	C	)	0	0	0	1	0		0	
Dollars	\$ -	\$ -	\$	_	S -	\$	-	\$	_	
\$/Allowance	\$ -	\$ -	\$	-	\$ -	\$	-	\$		
From KU:										
Quantity	C		0	0	0		0			
Quantity	\$ -	\$ -	\$	_	\$ -	\$	-	\$	-	
Dollars \$/Allowance	\$ -	\$ -			\$ -	\$		\$		

# LOUISVILLE GAS AND ELECTRIC 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	1	Amount					
11th Previous Month	\$	231,657					
10th Previous Month		155,157					
9th Previous Month		140,820					
8th Previous Month		140,030					
7th Previous Month		103,661					
6th Previous Month		101,245					
5th Previous Month		84,785					
4th Previous Month		80,176					
3rd Previous Month		135,771					
2nd Previous Month		117,593					
Previous Month		274,800					
Current Month		165,363					
Total 12 Month O&M	\$	1,731,057					

Determination of Working Capital Allowance								
12 Months O&M Expenses	\$	1,731,057						
One Eighth (1/8) of 12 Month O&M Expenses		1/8						
Pollution Control Cash Working Capital Allowance	\$	216,382						

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: March 31, 2015

O&M Expense Account	Mill Creek	Trimble County	Total
2000 PL			
2009 Plan			
502013 - ECR Landfill Operations			_
512107 - ECR Landfill Maintenance			-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)			_
Net 2009 Plan O&M Expenses		-	•
2011 Plan			
502056 - ECR Scrubber Operations	120,393		120,393
512055 - ECR Scrubber Maintenance	89,242		89,242
506159 - ECR Sorbent Injection Operation	_	12,494	12,494
506152 - ECR Sorbent Reactant - Reagent Only	30,179	96,750	126,930
512152 - ECR Sorbent Injection Maintenance	24,512	939	25,451
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	11,284	-	11,284
506151 - ECR Activated Carbon	-	<u></u>	_
Adjustment for Base Rates Baseline Amounts	(202,660)		(202,660)
Total 2011 Plan O&M Expenses	72,951	110,183	183,134
Current Month O&M Expense for All Plans	\$ 72,951	\$ 110,183	\$ 183,134

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: March 31, 2015

On-Site CCP Disposal O&M Expense	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]	\$	241
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	-
(8) Less 2009 Plan Project [(7) - (3)]	\$	*
If Line (8) Greater than Zero, No Adjustment		
If Line (8) Less than Zero, Adjustment for Base Rates		
Adjustment for Base Rate Amount (to ES Form 2.50)	\$	-

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: March 31, 2015

Third Party	O&M Expense Account	Plant	Te	otal O&M
1 arry	Ocelyl Expense Account	1 Idili	1	tai Otelvi
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	6,971
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	5,303
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	21,209
				******
	1			
Total Monthly Benefic	cial Reuse Expense		\$	33,482
			<u> </u>	
Adjustment for Benefi	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(51,253)
Net Beneficial Reuse	O&M Expense		\$	(17,771)

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: March 31, 2015

On-Site CCP Disposal O&M Expense		Mill Creek	Trim	ble County	Total
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)					
(1) 12 Months Ending with Expense Month	\$	92,596	\$	(26,392)	 66,205
(2) Monthly Amount [(1) / 12]	\$	7,716	\$	(2,199)	\$ 5,517
2009 Plan Project 25		······································			
(3) Monthly Amount (Expense/Revenue)	\$	21,209	\$	12,274	\$ 33,482
Total Beneficial Reuse - Generating Station					
(4) Monthly Expense [(2) + (3)]	\$	28,925	\$	10,074	\$ 38,999
Beneficial Reuse in Base Rates					
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	S	681,243	\$	-	\$ 681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$ 56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(27,845)	\$	10,074	\$ (17,771)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(49,054)		(2,199)	\$ (51,253)
If Line (8) Greater than Zero, No Adjustment					 
If Line (8) Less than Zero, Adjustment for Base Rates					 
Adjustment for Base Rate Amount (to ES Form 2.60)	18	(49,054)	\$	(2,199)	\$ (51,253

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)	Ī	(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	\$ 18,712,899	\$ 6,890,013	\$ 386,598	\$ 1,361,517	\$ 511,398		S	27,351,026				
May-14	19,070,545	7,225,762	431,170	1,432,241	655,878		\$	28,159,718				
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215				
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696		\$	46,176,613				
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052				
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610				
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186				
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424				
Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1,855,524	\$ 35,861,631	\$	34,006,107				
Jan-15	25,822,919	10,506,870	62,450	2,140,350	2,199,648	\$ 40,732,236	\$	38,532,589				
Feb-15	23,651,444	9,582,530	446,597	2,001,357	2,069,347	\$ 37,751,275	\$	35,681,928				
Mar-15	24,780,961	9,766,709	405,704	2,033,017	2,152,088	\$ 39,138,478	\$	36,986,390				
for 12 Months Endir	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge, for 12 Months Ending Current Expense Month.							35,364,155				
	Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =  GROUP 1 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month							84,449,527 41.88%				

		40444	GRO	DUP 2 (Net Revenues) - I	Kentucky Jurisdictional F	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	\$ 26,649,517	\$ 15,270,759	\$ 911,338	\$ 516,933	\$ 813,545			
May-14	31.038.295	17,114,221	983,142	582,699	1,149,099			
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922			
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525			
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343			
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389			
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856			
Nov-14	24,607,043	13,022,790	23,355	516,356				
Dec-14	29,797,563	17,818,181	(468,132)					·
Jan-15	29,739,784	17,420,467	(42,720)	634,771	2,734,369	\$ 50,486,670	\$ 47,752,301	\$ 30,374,555
Feb-15	27,448,052	15,779,120	578,857	587,594	2,574,946	\$ 46,968,570	\$ 44,393,624	\$ 28,035,646
Mar-15	30,236,104	17,481,064	718,034	616,745	2,849,863	\$ 51,901,809	\$ 49,051,946	\$ 30,852,848
for 12 Months Endin	ng Сштепt Expense Mor						\$ 49,085,372	\$ 31,166,239
		excluding Environmental at Revenues for 12-month			nth =		\$ 84,449,527 58,12%	2 KLZ2012 (34%)

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Reconciliation of Reported Revenues

For the Month Ended: March 31, 2015

	T	Revenues per	R	evenues per
		Form 3.00	Inco	me Statement
Kentucky Retail Revenues				
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	82,264,837	\$	82,264,837
(2) Fuel Adjustment Clause	\$	1,123,738	\$	1,123,738
(3) DSM	\$	2,649,761	\$	2,649,761
(4) Environmental Surcharge	1		\$	5,001,951
(5) CSR Credits			\$	(277,493)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	86,038,336	(american)	
Non -Jurisdictional Revenues				
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	7,584,243	\$	7,584,243
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	7,584,243		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	93,622,579		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		91.90%		
Reconciling Revenues				
(10) Brokered	\$	-	\$	
(11) InterSystem (Transmission Portion Booked in Account 447)	Ц	****	\$	-
(12) Unbilled			\$	(6,442,797)
(13) Miscellaneous			\$	1,605,703
(14) Total Company Revenues per Income Statement =			\$	93,509,942





## PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy Director - Rates T 502-627-3324 F 502-627-3213 robert.conroy@lge-ku.com

a PPL company

Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

May 22, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of April 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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,

Robert M. Conroy

**Enclosures** 

ES FORM 1.00

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of April 2015

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$ 2,623,084
Group 1 ES Billing Factor ES Form 1.10, line 17	******	7.43%
GROUP 2 (Net Revenue)		
Group 2 E(m) ES Form 1.10, line 15	Walded Actions	\$ 3,662,764
Group 2 ES Billing Factor ES Form 1.10, line 17	==	11.71%

Effective Date for Billing: June billing cycle beginning June 1, 2015

Title: Director, Rates

Date Submitted: May 22, 2015

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

For the Expense Month of April 2015

#### Calculation of Total E(m)

E(m) = [(RB / 12)]	2) (ROR+(R0	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	==	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
BR	=	Beneficial Reuse Operating Expenses

					Environmental Compliance Plans
(1)	RB		=	\$	819,269,580
(2)	RB / 12 (ROR + (ROR - DR)	(TR / (1 - TR)))	=	\$	68,272,465 10.43%
(4)	OE BAS		=	\$ \$	785,773 0
(6)	BR		=	\$	(43,558)
(7)	E(m)	(2) x (3) + (4) - (5) + (6)	==	\$	7,863,033

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	93.04%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) $\times$ (8)]	=	\$ 7,315,766
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ ·-
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,029,918
(13)	Adjusted Net Jurisdictional E(m) [(9) + (10) + (11) - (12)]	-	\$ 6,285,848

Calculation of Group Environmental Surcharge Billing Factors

			GRO	UP 1 (Total Revenue)	GRO	OUP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.73%		58.27%
(15)	Group E(m) [(13) x (14)]	=	\$	2,623,084	\$	3,662,764
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,299,567	\$	31,292,240
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		7.43%		11.71%

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs
For the Expense Month of April 2015

Determination of Environmental Compliance Rate Base

	Enviromental Cor	mpliance Plan
Eligible Pollution Control Plant	\$ 277,769,576	
Eligible Pollution CWIP Excluding AFUDC	541,667,410	
Subtotal	\$	819,436,986
Additions:		
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	167	
Cash Working Capital Allowance	205,146	
Subtotal		205,313
Deductions;		
Accumulated Depreciation on Eligible Pollution Control Plant	(54,985,546)	
Pollution Control Deferred Income Taxes	55,358,265	
Subtotal		372,719
Environmental Compliance Rate Base	\$	819,269,580

**Determination of Pollution Control Operating Expenses** 

Determination of a official Control Operating Expenses	
	Environmental
	Compliance Plan
Monthly Operations & Maintenance Expense	\$ 185,322
Monthly Depreciation & Amortization Expense	510,452
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	89,997
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 785,773

**Determination of Beneficial Reuse Operating Expenses** 

Env	vironmental
Com	pliance Plan
\$	8,403
	(51,961)
	(43,558)
	į.

Proceeds From By-Product and Allowance Sales

	Γ	otal	Amo	ount in	Net ·
	Pro	ceeds	Bas	e Rates	Proceeds
		(1)		(2)	(1) - (2)
Allowance Sales	\$	0	\$	-	\$ 0
Scrubber By-Products Sales		-		<b>4</b>	-
Total Proceeds from Sales	\$	0	\$	H	\$ 0

### LOUISVILLE GAS AND ELECTRIC 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		Deferred Tax Balance as of 4/30/2015	Monthly ITC Amortization Credit	Ľ	Monthly Depreciation Expense	I	Monthly Property Tax Expense
								(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED]	Parrie.	8.100 (1.000)							\$050F		355-34				
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	\$	9,599,354	5	785,009	\$	-	\$	8,814,344		654,917		\$	19,647		1,112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	4,067,717	\$	12,456	\$	9,236,111	\$	13,291,372		142,761		\$	8,304		1,590
Project 25 - Beneficial Reuse	\$	4,556,730	S	273,750	\$	-	\$	4,282,980	\$	900,203		\$	9,078	S	540
Subtotal	\$	18,223,801	\$	1,071,215	\$	9,236,111	\$	26,388,697	\$	1,697,881		\$	37,028	\$	3,241
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	(418,072)	s	(221,466)	\$	-	\$	(196,606)	\$	(76,808)		\$	(844)	\$	(25)
Net Total - 2009 Plan:	\$	17,805,729	\$	849,749	\$	9,236,111	\$	26,192,091	\$	1,621,073		\$	36,184	\$	3,217
			<u> </u>		<u> </u>							<u> </u>			
2011 Plan: Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit 1 Air Compliance	\$ \$	342,124,347 -	\$	2,807,263	\$	455,118,720 77,312,579		794,435,803 77,312,579		58,908,709		\$	581,981 -	\$ \$	82,411 7,323
Subtotal	\$	342,124,347	\$	2,807,263	\$	532,431,299	\$	871,748,382	\$	58,908,709		\$	581,981	\$	89,734
Less Retirements and Replacement resulting from implementation of 2011 Plan	\$	(82,160,499)	s	(58,642,558)	\$	-	\$	(23,517,942)	s	(5,171,517)		s	(107,713)	s	(2,953)
Net Total - 2011 Plan:	\$	259,963,847	\$	(55,835,294)	\$	532,431,299	\$	848,230,440	S	53,737,192	\$ -	\$	474,268	\$	86,781
		222 240 524	1	(54.005.546)		541.667.410	1 6	974 422 522	-	55,358,265		16	510,452	1	90.007
Net Total - All Plans:	\$	277,769,576	1 3	(54,985,546)	)] \$	541,667,410	13	874,422,532	1.2	33,338,263	19 -	\$	510,452	1.2	89,997

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: April 30, 2015

Vintage Year	Nun	nber of Allowan	ces	Totz	al Dolla	ar Value Of Vintage	Year	Comments and Explanations
	SO ₂	NOx	NOx	SOz		NOx	NOx	
	(Note 1)	Annual	Ozone Season	(Note 2)		Annual	Ozone Season	
Current Year	140,331	9,215	5,903	\$ 174.39	\$	-	\$ -	
2016	101,314							
2017	62,379							
2018	62,379							
2019	62,379							
2020	62,379							
2021	62,379							
2022	62,379							
2023	62,379				<u> </u>			
2024	62,379							
2025	62,379							
2026	62,379							
2027	62,379							
2028	62,379							
2029	62,379							
2030	62,379							
2031	62,379							
2032	62,379						1	
2033	62,379							
2034	62,379							
2035 - 2044	623,790							

Note 1: Includes CAIR allowances of 114,904 for the current year and 62,379 for years 2016 through 2044. Includes CSAPR allowances of 35,447 for the current year and 38,935 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.

### LOUISVILLE GAS AND ELECTRIC 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
		<del></del>				······		
TOTAL EMISSI	ON ALLOWANCE	S IN INVENTOR	Y, ALL CLASSIF	ICATIONS				
Quantity	143,081		2,70	8	0	42	140,331	
Dollars	\$ 176.54	\$ -	\$ 2.1	2 \$	- \$	0.03	\$ 174.39	
\$/Allowance	\$ -	\$ -	\$ -	\$	- \$	-	\$ -	
ALLOCATED A	LLOWANCES FR	OM EPA: COAL	FUEL					
Quantity	137,162		2,60		0	42	134,516	
Dollars	\$ 169.20	- \$	\$ 2.0	14 \$	- \$	0.03	\$ 167.13	
ALLOCATED A	JLOWANCES FE	OM EPA: OTHE	R FUELS					
	LLOWANCES FF			04.1	0.1	0	5.815	T
Quantity	5,919		0 1	04 8 \$	0	0	5,815 \$ 7.26	
Quantity	5,919		0 1					
Quantity Dollars	5,919	S -	0 1					
Quantity Dollars ALLOWANCES	\$ 7.34	S -	0 1					
Quantity Dollars  ALLOWANCES From Market:	\$ 7.34	SES:	0 1					
Quantity Dollars  ALLOWANCES From Market: Quantity	5,919 \$ 7.34 5 FROM PURCHA	SES:	0 10 5 0.	8 \$	- \$	-	\$ 7.26	
Quantity Dollars	5,919 \$ 7.34 5 FROM PURCHA	SES:	0 10 5 0.0	08 \$	- \$	- B -	\$ 7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	5,919 \$ 7.34 5 FROM PURCHA - \$ -	SES:	0 10 5 0.0	0	- S	- B -	\$ 7.26 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	5,919 \$ 7.34 5 FROM PURCHA - \$ -	SES:	0 10 20 20 20 20 20 20 20 20 20 20 20 20 20	0	- S	- B -	\$ 7.26 - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	5,919 \$ 7.34 5 FROM PURCHA 	SES: \$ -	0 10 10 10 10 10 10 10 10 10 10 10 10 10	0	- S - S - S		\$ 7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	5,919 \$ 7.34 S FROM PURCHA - \$ - \$ -	SES:	0 10 20 20 20 20 20 20 20 20 20 20 20 20 20	0	- S - S		\$ 7.26	

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC 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 EMISSI	ON ALLOWANCE	S IN INVENTO	ORY, AL	L CLASSIFIC	ATIONS					
Quantity '	112,626	T	0	1,354		0	21		111,251	
Dollars	\$ 176.54		-   \$	2.12	\$ -	\$	0.03	\$	174.39	
\$/Allowance	- \$	-	- \$	-	\$ -	\$	-	\$	-	
ALLOCATED A	LLOWANCES FR	OM EPA: COA	L FUEL	,						
Quantity	107,944		T	1,302			21	Г	106,621	Sale of 21 allowances is related to KU 81% share.
Dollars	\$ 169.20	S	- \$	2.04		\$	0,03	\$	167.13	
ALLOCATED A	LLOWANCES FR		ER FUE							
ALLOCATED A Quantity Dollars	LLOWANCES FR		ER FUE	ELS 52 0.08		  s		\$	4,630 7.26	
Quantity Dollars	\$ 7.34	S		52		\$		\$		-
Quantity Dollars ALLOWANCES	4,682	S		52		\$		\$		-
Quantity Dollars  ALLOWANCES From Market:	\$ 7.34	S		52		\$		S		
Quantity Dollars  ALLOWANCES From Market: Quantity	4,682 \$ 7.34 S FROM PURCHA	SES:	- S	52	\$ -					
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,682 \$ 7.34 S FROM PURCHA:	SES:	- S	52 0.08	\$  \$	\$		\$	7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,682 \$ 7.34 S FROM PURCHA	SES:	- S	52 0.08	\$ -				7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	4,682 \$ 7.34 S FROM PURCHA:	SES:	- S	52 0.08	\$  \$	\$		\$	7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU	4,682 \$ 7.34 S FROM PURCHA:	SES:	- S	52 0.08	\$  \$	\$ \$		\$	7.26	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,682 \$ 7.34 S FROM PURCHA:	SES:	- S - S - S	52 0.08	\$ - \$ \$	\$ \$	-	\$	7.26	

SUPPLEMENTAL ES FORM 2.31 - SUPPORT SCHEDULE

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CSAPR Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of April 2015

	Beginning	Allocations/	Utilized	Utilized			Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold		Inventory	Sale Date & Vintage Years
						***************************************		
TOTAL EMISSIO	ON ALLOWANCES	S IN INVENTORY	, ALL CLASSIFIC	ATIONS				
Quantity	30,455	0	1,354	0	2	1	29,080	
Dollars	\$ -	S -	\$ -	\$ -	\$ -	\$	-	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
	LLOWANCES FRO	M EPA: COAL F						
Quantity	29,218	-	1,302		·	21	27,895	Sale of 21 allowances is related to KU 81% share.
Dollars	-	\$ -	\$ -		S -	\$	~	
	<u> </u>		1	I	:			
	LLOWANCES FRO	OM EPA: OTHER		<b>4</b>				
Quantity	1,237	-	52	_			1,185	
ALLOCATED A Quantity Dollars		T		- \$ -	\$ -	\$	1,185	
Quantity	1,237	-	52			\$		
Quantity Dollars	\$ -	S -	52			\$		
Quantity Dollars  ALLOWANCES	1,237	S -	52			\$		
Quantity Dollars  ALLOWANCES From Market:	\$ -	S -	52			\$		
Quantity Dollars  ALLOWANCES From Market: Quantity	1,237 \$ - FROM PURCHAS	- S	52	\$ -	S -			
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	1,237 \$ - FROM PURCHAS - \$ -	ES:	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$		
Quantity Dollars	1,237 \$ - FROM PURCHAS	- S	52	\$ -	S -	\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	1,237 \$ - FROM PURCHAS - \$ -	ES:	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	1,237 \$ - FROM PURCHAS - \$ -	ES:	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	1,237 \$ -	ES:	\$ - \$ - \$ - \$ -	\$ - \$ -	\$ - \$ -	\$ \$		
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	1,237 \$ -	ES:	\$ - \$ - \$ - \$ -	\$ - \$ - \$ -	\$ -	\$ \$		

### LOUISVILLE GAS AND ELECTRIC 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 Inventor		Allocation, Purchase, or Sale Date & Vintage <b>Yea</b> rs
TOTAL EMISSI	ON ALLOWANCE	ES IN INVENTO	RY, ALL	CLASSIFICA	ATIONS					
Quantity	5,903	5	0	0	(	)	0		5,903	, , , , , , , , , , , , , , , , , , , ,
Dollars	\$ -	\$	- \$	-	\$ -	\$	-	\$	-	
\$/Allowance	\$ -	\$	- \$	-	\$ -	\$	-	\$	-	——————————————————————————————————————
ALLOCATED A	LLOWANCES FF	OM EPA: COA	L FUEL							
Quantity	5,590		- 1	_			0		5,596	**************************************
Dollars	s -		- \$	-	\$	\$	_	\$	- 1	
						1				
Quantity	LLOWANCES FE	7	-		-	Ţ	*		307	
Dollars	\$ -	\$	- \$		\$ -	\$		\$	-	
From Market:	FROM PURCHA									
Quantity		0	0	0	·	0	0		0	
Dollars	\$ -	<u> </u>	- \$		-	\$		\$	-	
m / / 11	\$ -	<b>S</b>	- \$	-	-	\$	-	S	-	
\$/Allowance		1 7			· · · · · · · · · · · · · · · · · · ·					
						T				***************************************
From KU:		0	0	0		0	0		0	
\$/Allowance From KU: Quantity Dollars \$/Allowance			0 - \$ - \$	0	\$ -	0 \$	0	\$	0	

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of April 2015

	Beginning	Allocations/	Utilized	Utilized		Ending	Allocation, Purchase, or
	Inventory	Purchases	(Coal Fuel)	(Other Fuels)	Sold	Inventory	Sale Date & Vintage Years
	ON ALLOWANCE:	, <del></del>					
Quantity	10,335	0	1,079	29	12	9,215	
Dollars	\$ -	\$ -	\$ -	-	\$ -	\$ -	
S/Allowance	\$ -	\$ -	\$ -	\$ -	-	\$ -	
	LLOWANCES FRO	OM EPA: COAL F		<del></del>			
Quantity	9,693	*	1,027	-	12		Sale of 12 allowances is related to KU 81% share.
Dollars	-	\$ -	\$ -	\$ -	\$ -	\$ -	
	1	1	1	1	i .	l	
	1	1	1	1			
		1	1	I,	<u> </u>	and the second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second second s	A transport of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the control of the co
ALLOCATED A	LLOWANCES FRO	OM EPA: OTHER		J		Active enhance to the recovered advances and advanced active and active and active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active active act	
	LLOWANCES FRO		FUELS 52	29		561	
Quantity				\$ -	- S -	561	
ALLOCATED A Quantity Dollars	642	-	52		·		
Quantity	642	-	52		·		
Quantity Dollars	642	\$ -	52		·		
Quantity Dollars  ALLOWANCES	\$ -	\$ -	52		·		
Quantity Dollars  ALLOWANCES From Market:	\$ -	- \$ -	52	\$ -	·		
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ -	- \$ -	\$ -	\$ -	S -	\$ -	
Quantity Dollars	\$	ES:	52	0	S -	\$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	642 \$ - FROM PURCHAS 0 \$ -	ES: 0	52 \$ -	\$ - 0 S -	0 \$ -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	642 \$ - FROM PURCHAS 0 \$ -	ES: 0	52 \$ -	\$ - 0 S -	0 \$ -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU:	642 \$ - FROM PURCHAS 0 \$ -	ES: 0 \$ -	52 \$ -	\$ - 0 \$ - \$ -	S - 0 S - 3 -	0 5 -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	642 \$  FROM PURCHAS  0  \$  \$	ES: 0 \$ -	52 \$ -	\$ - 0 \$ - \$ -	S - 0 S - 3 -	0 5 -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: April 30, 2015

Environmental Compli	ance Plan		
O&M Expenses	Amount		
11th Previous Month	\$	155,157	
10th Previous Month		140,820	
9th Previous Month		140,030	
8th Previous Month		103,661	
7th Previous Month		101,245	
6th Previous Month		84,785	
5th Previous Month		80,176	
4th Previous Month		135,771	
3rd Previous Month		117,593	
2nd Previous Month		274,800	
Previous Month		165,363	
Current Month		141,764	
Total 12 Month O&M	\$	1,641,164	

Determination of Working Capital	Allowance	
12 Months O&M Expenses	\$	1,641,164
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	205,146

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: April 30, 2015

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		_	-
512107 - ECR Landfill Maintenance			•
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses		-	
2011 Plan 502056 - ECR Scrubber Operations	151,788		151,788
512055 - ECR Scrubber Maintenance	21,643	<b>&amp;</b>	21,643
506159 - ECR Sorbent Injection Operation	21,013	7,844	7,844
506152 - ECR Sorbent Reactant - Reagent Only	29,115	142,585	171,700
512152 - ECR Sorbent Injection Maintenance	29,600	430	30,030
506156 - ECR Baghouse Operations	-	*	<del>-</del>
512156 - ECR Baghouse Maintenance	4,977	-	4,977
506151 - ECR Activated Carbon	-	-	-
Adjustment for Base Rates Baseline Amounts	(202,660)		(202,660)
Total 2011 Plan O&M Expenses	34,464	150,858	185,322

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: April 30, 2015

On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	-
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	\$ -

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: April 30, 2015

Third Party	O&M Expense Account	Plant	To	otal O&M
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	. 2,397
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	3,125
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	2,881
Total Monthly Benefic	ial Panga Eynanga		<u> </u>	8,403
1 otal Monthly Delicite	iai icuso Expenso		ΙΦ	0,403
Adjustment for Renefic	ial Reuse in Base Rates (from ES Form 2.	51)	T _{\$}	(51,961)
Net Beneficial Reuse C	\$	(43,558)		

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: April 30, 2015

On-Site CCP Disposal O&M Expense	Mill Creek		Trimble County		Total	
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)						
(1) 12 Months Ending with Expense Month	\$	83,643	\$	(25,931)	\$	57,712
(2) Monthly Amount [(1) / 12]	\$	6,970	\$	(2,161)		4,809
2009 Plan Project 25						
(3) Monthly Amount (Expense/Revenue)	\$	2,881	\$	5,522	\$	8,403
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	9,851	\$	3,361	\$	13,212
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$	-	\$	681,243
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(46,919)	\$	3,361	\$	(43,558)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(49,800)	\$	(2,161)	\$	(51,961)
If Line (8) Greater than Zero, No Adjustment						
If Line (8) Less than Zero, Adjustment for Base Rates		WWW.				
Adjustment for Base Rate Amount (to ES Form 2.60)	[\$	(49,800)	\$	(2,161)	\$	(51,961)

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

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)						T	(8)	
Month	Non-fuel Base Rate Revenues	Base Rate Fuel Component	Fuel Clause Revenues	DSM Revenues	Environmental Surcharge Revenues	Total (2)+(3)+(4)+(5)+(6)	I	Total Excluding Environmental Surcharge (7)-(6)	
May-14	\$ 19,070,545	\$ 7,225,762	\$ 431,170	\$ 1,432,241	\$ 655,878	\$ 28,815,597	\$	28,159,718	
Jun-14	25,845,062	10,332,508	1,220,156	2,046,488	1,180,423	\$ 40,624,638	\$	39,444,215	
Jul-14	30,245,789	12,746,468	654,408	2,529,948	1,463,696	\$ 47,640,309	\$	46,176,613	
Aug-14	26,635,380	10,918,510	(75,838)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643,052	
Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032,610	
Oct-14	20,145,906	7,592,118	40,806	1,500,356	1,079,561	\$ 30,358,747	\$	29,279,186	
Nov-14	18,758,156	6,937,998	10,532	1,369,738	1,288,608	\$ 28,365,032	\$	27,076,424	
Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1,855,524	\$ 35,861,631	\$	34,006,107	
Jan-15	25,822,919	10,506,870	62,450	2,140,350	2,199,648	\$ 40,732,236	\$	38,532,589	
Feb-15	23,651,444	9,582,530	446,597	2,001,357	2,069,347	\$ 37,751,275	\$	35,681,928	
Mar-15	24,780,961	9,766,709	405,704	2,033,017	2,152,088	\$ 39,138,478	\$	36,986,390	
Apr-15	18,181,667	6,590,987	556,653	1,246,661	1,557,460	\$ 28,133,427	\$	26,575,967	
Average Monthly Ju	risdictional Revenues, E	excluding Environmental	Surcharge,						
for 12 Months Endir	ng Current Expense Mor	nth.					S	35,299,567	
Average Kentucky J	furisdictional Revenues	excluding Environmental	Surcharge for 12-months	s ending with Current M	onth =		\$	84,599,112	
GROUP 1 Revenues	s as a Percentage of Tot	al Revenues for 12-month	as ending with the Curre	nt Month				41.73%	

	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	\$ 31,038,295	\$ 17,114,221	\$ 983,142	\$ 582,699	\$ 1,149,099			
Jun-14	33,283,517	18,737,795	1,954,247	669,820	1,579,922	<u> </u>		
Jul-14	33,763,287	18,606,578	1,147,175	733,697	1,741,525			
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	\$ 51,455,225	\$ 33,179,305
Sep-14	35,830,535	20,220,639	283,429	711,285	1,894,389	\$ 58,940,277	\$ 57,045,888	\$ 36,541,821
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856	\$ 53,302,653	\$ 51,443,797	\$ 32,250,461
Nov-14	24,607,043	13,022,790	23,355	516,356	1,872,610	\$ 40,042,155	\$ 38,169,545	\$ 25,123,399
Dec-14	29,797,563	17,818,181	(468,132)	601,510	2,582,675	\$ 50,331,797	\$ 47,749,122	\$ 30,399,073
Jan-15	29,739,784	17,420,467	(42,720)	634,771	2,734,369	\$ 50,486,670	\$ 47,752,301	\$ 30,374,555
Feb-15	27,448,052	15,779,120	578,857	587,594	2,574,946	\$ 46,968,570	\$ 44,393,624	\$ 28,035,646
Mar-15	30,236,104	17,481,064	718,034	616,745	2,849,863	\$ 51,901,809	\$ 49,051,946	\$ 30,852,848
Apr-15	28,224,366	16,071,139	1,169,029	454,088	2,662,102	\$ 48,580,724	\$ 45,918,623	\$ 28,678,454
Average Monthly Ju	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel,							
for 12 Months Endi	for 12 Months Ending Current Expense Month. \$ 49,299,545 \$ 31,292,							\$ 31,292,240
Average Kentucky J	Jurisdictional Revenues e	excluding Environmental	Surcharge for 12-month	s ending with Current Me	onth =		\$ 84,599,112	
GROUP 2 Revenue	GROUP 2 Revenues as a Percentage of Total Revenues for 12-months ending with the Current Month  58,27%							

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: April 30, 2015

			Revenues per	R	evenues per
			Form 3.00	Inco	me Statement
Kentucl	ky Retail Revenues				
(1)	Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	69,068,159	\$	69,068,159
(2)	Fuel Adjustment Clause	\$	1,725,682	\$	1,725,682
(3)	DSM	\$	1,700,749	\$	1,700,749
(4)	Environmental Surcharge			\$	4,219,561
(5)	CSR Credits			\$	(286,273)
(6)	Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	72,494,590		
Non -Ju	risdictional Revenues	ļ			
(7)	InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	5,420,142	\$	5,420,142
(8)	Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	5,420,142		
(9)	Total Company Revenues for Environmental Surcharge Purposes =	\$	77,914,732		
	Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		93.04%		
Reconc	iling Revenues				
(10)	Brokered	\$	_	\$	_
(11)	InterSystem (Transmission Portion Booked in Account 447)			\$	-
(12)	Unbilled			\$	1,431,324
(13)	Miscellaneous			\$	1,308,263
(14)	Total Company Revenues per Income Statement =			\$	84,587,607



JUN 19 2015

PUBLIC SERVICE COMMISSION

Louisville Gas and Electric Company State Regulation and Rates 220 West Main Street PO Box 32010 Louisville, Kentucky 40232 www.lge-ku.com

Robert M. Conroy
Director - Rates
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robert.conroy@lge-ku.com



Jeff DeRouen, Executive Director Public Service Commission of Kentucky 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

June 19, 2015

RE: Monthly Environmental Surcharge Report

Dear Mr. DeRouen:

Pursuant to KRS 278.183(3), Louisville Gas and Electric Company ("LG&E") files the original and three copies of its Environmental Surcharge Report for the month of May 2015. In accordance with the Commission's Order in the Environmental Surcharge cases, most recently Case No. 2013-00437, LG&E 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.

It has come to my attention that the Retirement and Replacement amounts related to Eligible Accumulated Depreciation was inadvertently overstated for the April 2015 expense month. The amount of overstatement is reflected as a Prior Period Adjustment on ES Form 1.10 for the May 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 April 2015 expense month.

Please contact me if you have any questions about this filing.

Sincerely,

Robert M. Conroy

Enclosures

**ES FORM 1.00** 

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

### Net Group E(m) and Group Environmental Surcharge Billing Factors For the Expense Month of May 2015

### **GROUP 1 (Total Revenue)**

Group 1 E(m) ES Form 1.10, line 15	=	\$	2,892,254
Gloup (Edin) Es Politi 1.10, fille 13	_	Ф	2,072,234
Group 1 ES Billing Factor ES Form 1.10, line 17	=		8.19%
GROUP 2 (Net Revenue)			
Group 2 E(m) ES Form 1.10, line 15	=	\$	4,023,705
Group 2 ES Billing Factor ES Form 1.10, line 17	=		12.90%

Effective Date for Billing: July billing cycle beginning June 30, 2015

Title: Director, Rates

Submitted by:

Date Submitted: June 19, 2015

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

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		=	\$ 829,641,051
(2) RB/12		***	\$ 69,136,754
(3) (ROR + (ROR	R - DR) (TR / (1 - TR)))	=	10.43%
(4) OE		=	\$ 1,130,119
(5) BAS		=	\$ 0
(6) BR		=	\$ (10,957)
(7) E(m)	$(2) \times (3) + (4) - (5) + (6)$	=	\$ 8,330,125

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	96.00%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio $[(7) \times (8)]$	=	\$ 7,996,920
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ (878)
(12)	Revenue Collected through Base Rates	=	\$ 1,080,083
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 6,915,959

Calculation of Group Environmental Surcharge Billing Factors

			GROU	P 1 (Total Revenue)	GRO	OUP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.82%		58.18%
(15)	Group E(m) [(13) x (14)]	=	\$	2,892,254	\$	4,023,705
(16)	Group R(m) = Average Monthly Group Revenue for the 12  Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,317,186	\$	31,199,626
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		8.19%		12,90%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of May 2015

**Determination of Environmental Compliance Rate Base** 

	Enviromental (	Compl	iance Plan
Eligible Pollution Control Plant	\$ 566,120,167		
Eligible Pollution CWIP Excluding AFUDC	211,461,341	<u> </u>	
Subtotal		\$	777,581,508
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	165		
Cash Working Capital Allowance	215,837		
Subtotal			216,002
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	(113,267,754)		
Pollution Control Deferred Income Taxes	61,424,213		
Subtotal			(51,843,541)
Environmental Compliance Rate Base		\$	829,641,051

**Determination of Pollution Control Operating Expenses** 

	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 251,647
Monthly Depreciation & Amortization Expense	789,765
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	88,705
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	-
Total Pollution Control Operations Expense	\$ 1,130,119

**Determination of Beneficial Reuse Operating Expenses** 

	En	vironmental
	Com	npliance Plan
Total Monthly Beneficial Reuse Expense	\$	40,739
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(51,696)
Net Beneficial Reuse Operations Expense	\$	(10,957)

Proceeds From By-Product and Allowance Sales

1 rocceus From Dy-1 roduct and Athomatice Sales					
		Total	1	Amount in	Net
	P	roceeds	]	Base Rates	Proceeds
		(1)		(2)	(1) - (2)
Allowance Sales	\$	0	\$	-	\$ 0
Scrubber By-Products Sales		-		-	-
Total Proceeds from Sales	\$	0	\$	-	\$ 0

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: May 31, 2015

(1)		(2)	Ι.Ξ	(3)		(4)		(5)		(6)	(7)		(8)		(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 5/31/2015	Monthly ITC Amortization Credit		Monthly Depreciation Expense	P	Monthly Tax Expense
			Ц.					(2)-(3)+(4)							
2009 Plan: Project 22 - Cane Run CCP Storage (Landfill - Phase I) [CANCELLED] Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	5	9,599,354	8	804,656	95		S	8,794,698	5	665,053		ę	19.647	₹	1.112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	\$	4,067,717		20,759		9.290.046	S	13,337,004		214,142		\$	8.304		1.590
Project 25 - Beneficial Reuse	s	4,556,730		282,827		-	s	4,273,903		901,654		5	9,078		540
Subtotal	\$	18,223,801	\$	1,108,243	S	9,290,046	\$	26,405,604	S	1,780,851		\$	37,028	S	3,241
Less Retirements and Replacement resulting from implementation of 2009 Plan	\$	(418,072)	5	(220,623)	ş	-	s	(197,449)	s	(76,808)		\$	(844)	ş	(25)
Net Total - 2009 Plan:	S	17,805,729	S	887,620	S	9,290,046	ŝ	26,208,155	S	1,704,043		\$	36,184	\$	3,217
2011 Plan:	+		<u>!</u>		1			<del></del>						<u> </u>	
Project 26 - Mill Creek Station Air Compliance Project 27 - Trimble County Unit   Air Compliance	S	700,169,914 -	S	3,735,928	S	120,738,463 81,432,831		817,172,450 81,432,831		65,949,49 <b>2</b> -		\$	928,665	\$	82,411 7,323
Subtotal Less Retirements and Replacement resulting	\$	700,169,914	\$	3,735,928	S	202,171,295	\$	898,605,281	5	65,949,492		\$	928,665	\$	89,734
from implementation of 2011 Plan	\$	(151,855,476)	5	(117,891,302)	5	-	5	(33,964,174)	S	(6,229.322)		\$	(175,084)	5	(4,246)
Net Total - 2011 Plan:	\$	548,314,438	\$	(114,155,374)	\$	202,171,295	\$	864,641,107	\$	59,720,170	\$ -	\$	753,581	\$	85,488
Net Total - All Plans:	l s	566,120,167	S	(113,267,754)	3	211,461,341	8	890,849,262	l Is	61,424,213	s -	s	789,765	5	88,705

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP palance is included on ES Form 2.50 as an expense for the September 2012 expense month

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances

For the Month Ended: May 31, 2015

Vintage Year	Nur	nber of Allowan	ces		Tot	al Doll	ar Value Of Vinta	ige Yea	ar	Comments and Explanations
	$SO_2$	NOx	NOx		SO ₂		NOx		NOx	
	(Note 1)	Annual	Ozone Season		(Note 2)		Annual		Ozone Season	
Current Year	137,999	7,970	4,658	\$	172.57	\$	-	- \$	-	
2016	101,314									
2017	62,379						•			
2018	62,379									
2019	62,379									
2020	62,379									
2021	62,379									
2022	62,379									
2023	62,379			<u></u>						
2024	62,379									
2025	62,379									
2026	62,379									
2027	62,379									
2028	62,379									
2029	62,379									
2030	62,379									
2031	62,379									
2032	62,379									
2033	62,379									
2034	62,379									
2035 - 2044	623,790							$\Box$		

Note 1: Includes CAIR allowances of 110,085 for the current year and 62,379 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.

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (SO2) - Current Vintage Year

For the Expense Month of May 2015

	Begin		Allocat			lized		tilized		C	2.11		Ending		ation, Purcl		
	Inver	ntory	Purch	ases	(Coa	ıl Fuel)	l (Otr	er Fuels)			Sold		Inventory	 Sale D	ate & Vinta	ge years	
_																	
TOTAL EMISS			IN INVE		, ALL C		ATIONS							 			
Quantity		140,331		0		2,194			_0		138	<u> </u>	137,999	 			
Dollars	\$	174.39			\$	1.72	\$		-	\$	0.10	\$	172.57				
\$/Allowance	\$	-	\$		\$	-	\$		- ]	\$		\$					
ALLOCATED A			M EPA: (	COALF	UEL									 			
Quantity		134,516		0		2,048	<u> </u>		0		138		132,330				
Dollars	\$	167.13	\$	-	\$	1.61	\$		-	\$	0.10	\$	165.42				
	•																
ALLOCATED A	LLOWAN	CES FRO	M EPA: C	THER	FUELS												
ALLOCATED A	LLOWAN	CES FRO	OM EPA: C	OTHER 0	FUELS	146			0		0		5,669	 			
Quantity	LLOWAN				FUELS	146 0.11	\$		0	\$	0	\$	5,669 7.15				
		5,815		0			\$		0	\$		\$		 			
Quantity		5,815		0			\$		0	\$		\$					
Quantity Dollars	\$	5,815 7.26	\$	0			\$		0	\$		\$		 			
Quantity	\$	5,815 7.26	\$	0			\$		0	\$		\$					
Quantity Dollars  ALLOWANCES From Market:	\$	5,815 7.26	\$	0			\$		0 -	\$		\$					
Quantity Dollars  ALLOWANCES	\$	5,815 7.26 JRCHAS	\$	-		0.11	\$		-	\$	•		7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity	FROM PU	5,815 7.26 URCHAS	S ES:	0 -	\$	0.11			-		•	\$ \$	7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	FROM PU	5,815 7.26 JRCHAS	\$ ES:	0	\$	0.11	\$		-	\$	-	\$	7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PU	5,815 7.26 JRCHAS	\$ ES:	0	\$	0.11	\$		-	\$	-	\$	7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	FROM PU	5,815 7.26 JRCHAS	\$ ES:	0	\$	0.11	\$			\$	-	\$	7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU Quantity	FROM PU	5,815 7.26 JRCHAS	S: S: S	0	\$ \$ \$ \$	0.11	\$ \$		-	\$ \$	-	\$ \$	7.15				
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance From KU	FROM PU	5,815 7.26 JRCHAS	\$ ES:	0 -	\$	0.11	\$		-	\$	-	\$	7.15				

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

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of CAIR Emission Allowances (SO2) - Current Vintage Year

#### For the Expense Month of May 2015

	Beginning Inventory		cations/ chases	Util (Coal	ized Fuel)	Utili (Other			Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSI	ON ALLOWANC	ES IN INV	ENTORY	, ALL CL	ASSIFIC	ATIONS	_					
Quantity	111,25		0		1,097		0	ì	69		110,085	
Dollars	\$ 174.39	\$	•	\$	1.72	\$	_	\$	0.10	\$	172.57	
\$/Allowance	\$ -	\$	-	S	-	\$	_	\$	_	\$	-	
ALLOCATED A	LLOWANCES FF	OM EPA:	: COAL F	UEL								
Quantity	106,62				1,024				69		105,528	Sale of 69 allowances is related to KU 81% share.
Dollars	\$ 167.13	\$	-	\$	1.61			\$	0.10	\$	165.42	
				].						1.		
ALLOCATED A	LLOWANCES FF	OM EPA:	: OTHER	FUELS								
Quantity	LLOWANCES FF 4,630 \$ 7.20		OTHER	FUELS \$	73 0.11			\$		\$	4,557 7.15	
Quantity Dollars	\$ 7.20	\$						\$		\$		
Quantity Dollars  ALLOWANCES	4,630	\$						\$		\$		
Quantity Dollars  ALLOWANCES From Market:	\$ 7.20	\$						\$		\$		
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 7,20	\$			0.11	S		\$	-	\$	7,15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,630 \$ 7.20 FROM PURCHA	SES:		\$	0.11	S			-		7.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	4,630 \$ 7.20 FROM PURCHA	SES:	-	\$	0.11			\$		\$	7.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	4,630 \$ 7.20 FROM PURCHA	SES:	-	\$	0.11			\$		\$	7.15	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars \$/Allowance	4,630 \$ 7.20 FROM PURCHA	SES:	-	\$	0.11			\$		\$	7.15	
Quantity Dollars	4,630 \$ 7,20 FROM PURCHA	SES:	-	\$	0.11		-	\$		\$	7.15	

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

### LOUISVILLE GAS AND ELECTRIC 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 EMISSI	ON ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	ATIONS			
Quantity	29,080	0	1,097	0	69	27,914	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	LLOWANCES FRO	OM EPA: COAL E	IIEI.		•		
Quantity	27.895	-	1.024		69	26,802	Sale of 69 allowances is related to KU 81% share.
Dollars	\$ -	\$ -	\$ -		\$ -	\$ -	
Quantity	1,185	-	73	-	-	1,112	
	LLOWANCES FRO			_	_	1.112	
Dollars	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
					1		
							•
ALLOWANCES	FROM PURCHAS	ES:					
	FROM PURCHAS	ES:	I				
rom Market:	FROM PURCHAS	ES:	-		-		
From Market: Quantity			- S -	- \$	\$ -	\$ -	
ALLOWANCES From Market: Quantity Dollars \$/Allowance	-	-					
From Market: Quantity Dollars	- \$ -	- \$ -	S -	\$ -	\$	\$ -	
rom Market: Quantity Dollars \$/Allowance	- \$ -	- \$ -	S -	\$ -	\$	\$ -	
From Market: Quantity Dollars \$/Allowance	- \$ -	- \$ -	S -	\$ -	\$	\$ -	
From Market: Quantity Dollars	\$ -	\$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor

### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Ozone Season Allowance Allocation

#### For the Expense Month of May 2015

		ginning entory		cations/ chases	Utilized (Coal Fuel)	Utilized (Other Fuels)			Sold		Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISSION	ON ALL	OWANCES	S IN INV	ENTORY,	ALL CLASSIFIC	CATIONS						
Quantity		5,903		0	1,187		18		40		4,658	
Dollars	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	
\$/Allowance	\$	-	\$	-	\$ -	\$	-	\$		\$	-	
ALLOCATED	LLOWA	NOES ED	M EDA.	COALEY	1121							
ALLOCATED A  Quantity	LLUWA	5,596	INI EPA:	COALFE	1,125	1	0	т —	40		4,431	
Dollars	s	3,390	s	<del>-</del>	\$ -	\$		\$	40	\$	- 4,431	
Donais	1 3		1 3		-	φ		1	<u>-</u>	φ	<del></del>	
ALLOCATED A Quantity	LLOWA	NCES FRO	OM EPA:	OTHER I	FUELS 62	_	18	Т			227	
Dollars	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	
ALLOWANCES	FROM F	PURCHASI	ES:									
From Market:			1									
Quantity		0		0	0		0		0		0	
Dollars	\$	-	S	-	S -	\$	-	\$	-	\$	-	
\$/Allowance	\$	-	\$	-	\$ -	\$	-	\$	-	\$	-	
From KU:	1		T		<u> </u>	1		_		Ι	<del></del>	
	+	0		0	0	-	0	-	0		0	
Quantity Dollars	\$		\$	- 0	\$ -	\$		\$		\$		<del></del>
\$/Allowance	\$	<u> </u>	\$		\$ -	\$	<u> </u>	S		\$		
J/Allowance	Т э	<del>-</del>	1 3	-	<u> </u>	J 9		1 3	<u>-</u>	1 3		

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Inventory of Emission Allowances (NOx) - Annual Allowance Allocation

#### For the Expense Month of May 2015

	Beginning Inventory	Allocations/ Purchases	Utilized (Coal Fuel)	Utilized (Other Fuels)	Sold	Ending Inventory	Allocation, Purchase, or Sale Date & Vintage Years
TOTAL EMISS	ION ALLOWANCE	S IN INVENTORY	, ALL CLASSIFIC	CATIONS			
Quantity	9,215	0	1,187		40	7,970	
Dollars	\$ -	\$ -	s -	\$ -	S -	\$ -	
\$/Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ALLOCATED A	ALLOWANCES FRO	OM EPA: COAL F	UEL				
Quantity	8,654	-	1,125	-	40	7,489	Sale of 40 allowances is related to KU 81% share.
Dollars	\$ -	\$ -	\$ -	\$ -	S -	\$ -	
	ALLOWANCES FRO	OM EPA: OTHER		T 18	<u> </u>	481	T
Quantity	561		62		- 5 -	481	
Quantity	561	-	62	\$ -	\$ -	Φ.	
Quantity Dollars  ALLOWANCES	561	\$ -	62				
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 561 \$ - \$ FROM PURCHAS	ES:	62	0	s - 0	s - 0	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	561 \$ - S FROM PURCHAS 0 \$ -	ES: 0	62 \$ -	0	0 \$ -	0	
Quantity Dollars  ALLOWANCES From Market: Quantity	\$ 561 \$ - \$ FROM PURCHAS	ES:	62	0	s - 0	s - 0	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars S/Allowance	561 \$ - S FROM PURCHAS 0 \$ -	ES: 0	62 \$ -	0	0 \$ -	0	
Quantity Dollars  ALLOWANCE: From Market; Quantity Dollars \$/Allowance	561   \$ -   S FROM PURCHAS   0   \$ -   \$ -	ES:  0 \$ -	62 \$ -	0 5 -	0 5 -	0	
Quantity Dollars  ALLOWANCE: From Market: Quantity Dollars S/Allowance  From KU: Quantity	561   \$ -   S FROM PURCHAS   0   \$ -   \$ -	ES:  0 \$ -	62 \$ -	0 S - S -	0 \$ -	0 \$ - \$ -	
Quantity Dollars  ALLOWANCES From Market: Quantity Dollars	561   \$ -   S FROM PURCHAS   0   \$ -   \$ -	ES:  0 \$ -	62 \$ -	0 5 -	0 5 -	0	

Emission Allowance Expense for Other Power Generation is excluded from expense reported on Form 2.00 for recovery through the monthly billing factor.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

O&M Expenses and Determination of Cash Working Capital Allowance

For the Month Ended: May 31, 2015

Environmental Compli	iance Plan
O&M Expenses	Amount
l 1th Previous Month	\$ 140,820
10th Previous Month	140,030
9th Previous Month	103,66
8th Previous Month	101,24:
7th Previous Month	84,783
6th Previous Month	80,176
5th Previous Month	135,77
4th Previous Month	117,593
3rd Previous Month	274,800
2nd Previous Month	165,363
Previous Month	141,764
Current Month	240,690
Total 12 Month O&M	\$ 1,726,693

Determination of Working Capital	Allowance	
12 Months O&M Expenses	\$	1,726,698
One Eighth (1/8) of 12 Month O&M Expenses		1/8
Pollution Control Cash Working Capital Allowance	\$	215,837

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Pollution Control - Operations & Maintenance Expenses For the Month Ended: May 31, 2015

O&M Expense Account	Mill Creek	Trimble County	Total
2009 Plan			
502013 - ECR Landfill Operations		-	_
512107 - ECR Landfill Maintenance		-	-
Adjustment for CCP Disposal in Base Rates (ES Form 2.51)		-	-
Net 2009 Plan O&M Expenses			-
2011 Plan			
502056 - ECR Scrubber Operations	121,607		121,607
512055 - ECR Scrubber Maintenance	31,384		31,384
506159 - ECR Sorbent Injection Operation	-	22,840	22,840
506152 - ECR Sorbent Reactant - Reagent Only	87,218	110,904	198,122
512152 - ECR Sorbent Injection Maintenance	44,700	70	44,770
506156 - ECR Baghouse Operations	-	-	-
512156 - ECR Baghouse Maintenance	6,328	- 1	6,328
506151 - ECR Activated Carbon	29,256	-	29,256
Adjustment for Base Rates Baseline Amounts	(202,660)		(202,660)
Total 2011 Plan O&M Expenses	117,832	133,814	251,647
Current Month O&M Expense for All Plans	\$ 117,832	\$ 133,814	\$ 251,647

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

CCP Disposal Facilities Expenses
For the Month Ended: May 31, 2015

0.01.000.01	m: 11 G
On-Site CCP Disposal O&M Expense	Trimble County
Existing CCP Disposal Facilities (Pre 2009 Plan Project)	
(1) 12 Months Ending with Expense Month	\$ -
(2) Monthly Amount [(1) / 12]	\$ -
2009 Plan Project	
(3) Monthly Expense	\$ -
Total Generating Station	
(4) Monthly Expense [(2) + (3)]	\$ -
Base Rates	
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$ -
(6) Monthly Expense Amount [(5) / 12]	\$ -
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$ -
(8) Less 2009 Plan Project [(7) - (3)]	\$ -
If Line (8) Greater than Zero, No Adjustment	
If Line (8) Less than Zero, Adjustment for Base Rates	
Adjustment for Base Rate Amount (to ES Form 2.50)	\$

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: ES Form 2.51 will not be utilized until O&M costs associated with the 2009 Plan are incurred.

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse - Operations & Maintenance Expenses For the Month Ended: May 31, 2015

Third Party	O&M Expense Account	Plant	Total O&M		
C and B Marine	501253 - ECR Fly Ash Disposal	Trimble County	\$	14,479	
Legner Energy Group	501253 - ECR Fly Ash Disposal	Trimble County	\$	7,505	
Charah	502011 - ECR Other Waste Disposal	Mill Creek	\$	14,968	
Synmat	Trimble County	\$	3,787		
Total Monthly Benefic	ial Reuse Expense		\$	40,739	
	cial Reuse in Base Rates (from ES Form 2.	61)	\$	(51,696)	
Net Beneficial Reuse (	D&M Expense		\$	(10,957)	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Beneficial Reuse Opportunities
For the Month Ended: May 31, 2015

On-Site CCP Disposal O&M Expense		Mill Creek	Trimb	ole County		Total
Printing Para Cairl Paras Our art mitigs (Para 2000 Plan Paria et)	1					
Existing Beneficial Reuse Opportunities (Pre 2009 Plan Project)  (1) 12 Months Ending with Expense Month	\$	88,510	\$	(27,620)	•	60,889
(2) Monthly Amount [(1) / 12]	\$	7,376	\$	(2,302)	3	5,074
2009 Plan Project 25		·		-		
(3) Monthly Amount (Expense/Revenue)	\$	14,968	\$	25,771	\$	40,739
Total Beneficial Reuse - Generating Station						
(4) Monthly Expense [(2) + (3)]	\$	22,344	\$	23,469	\$	45,813
Beneficial Reuse in Base Rates						
(5) Annual Expense Amount (12 Mo Ending with Last Test Year)	\$	681,243	\$		\$	<b>68</b> 1, <b>24</b> 3
(6) Monthly Expense Amount [(5) / 12]	\$	56,770	\$	-	\$	56,770
(7) Total Generating Station Less Base Rates [(4) - (6)]	\$	(34,427)	\$	23,469	\$	(10,957)
(8) Less 2009 Plan Project 25 [(7) - (3)]	\$	(49,394)	\$	(2,302)	\$	(51,696)
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)	\$	(49,394)	\$	(2,302)	\$	(51,696

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Monthly Average Revenue Computation of R (m) for GROUP 1 AND GROUP 2

For the Month Ended: May 31, 2015

Jul-14         \$0,245,789         12,745,468         654,408         2,529,948         1.463,696         \$ 47,640,309         \$ 46,17           Aug-14         26,635,380         19,918,510         (78,838)         2,165,000         1,395,107         \$ 41,038,159         \$ 39,64           Sep-14         27,924,339         11,572,341         241,228         2,294,702         1,341,083         \$ 43,373,692         \$ 42,03           Oct-14         20,145,906         7,592,118         40,806         1,500,356         1,079,561         \$ 30,358,747         \$ 29,27           Nov-14         18,758,156         6,937,998         10,532         1,369,738         1,288,608         \$ 28,365,032         \$ 27,07           Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$ 35,861,631         \$ 34,00           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2,199,648         \$ 40,732,236         \$ 38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,009,347         \$ 37,751,275         \$ 35,60           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,													
Non-fuel   Base Rate   Revenues   Fuel Clause   Revenues   Revenues   Fuel Clause   Revenues   Revenues   Surcharge   Revenues   C2)(3)(4)-(5)(6)   (7)-(6)	(1)	(2) (3) (4) (5) (6) (7)											
Jul-14         \$0,245,789         12.746,468         654,408         2,529,948         1.463,696         \$ 47,640,309         \$ 46,17           Aug-14         26,635,380         19,918,510         (78,838)         2,165,000         1,395,107         \$ 41,038,159         \$ 39,64           Sep-14         27,924,339         11,572,341         241,228         2,294,702         1,341,083         \$ 43,373,692         \$ 42,01           Oct-14         20,145,906         7,592,118         40,806         1,500,356         1,079,561         \$ 30,358,747         \$ 29,27           Nov-14         18,758,156         6,937,998         10,532         1,369,738         1,288,608         \$ 28,365,032         \$ 27,07           Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$ 35,861,631         \$ 34,00           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2,199,648         \$ 40,732,236         \$ 38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$ 37,751,275         \$ 35,60           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,	Base Rate Base Rate Fuel Clause DSM Surcharge Total  Month Revenues Fuel Component Revenues Revenues (2)1(3)1(4)-(5)1(6)												
Aug-14         26,635,380         19,918,510         (75,838)         2,165,000         1,395,107         \$         41,038,159         \$         39,66           Sep-14         27,924,339         11,572,341         241,228         2,294,702         1,341,083         \$         43,373,692         \$         42,01           Oct-14         20,145,906         7,592,118         40,806         1,500,356         1,079,561         \$         30,358,747         \$         29,27           Nov-14         18,758,156         6,937,998         10,532         1,369,738         1,288,608         \$         28,365,032         \$         27,07           Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$         35,861,631         \$         34,00           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2,199,648         \$         40,732,236         \$         38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$         37,751,275         \$         35,60           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088	Jun-14	\$ 25,845,062	\$ 10,332,508	\$ 1,220,156	\$ 2,046,488	\$ 1,180,423	\$ 40,624,638	\$	39,444.				
Sep-14         27,934,339         11,572,341         241,228         2,294,702         1,341,083         \$ 43,373,692         \$ 42,0           Oct-14         20,145,906         7,592,118         40,806         1,500,356         1,079,561         \$ 30,358,747         \$ 29,2°           Nov-14         18,758,156         6,937,998         10,532         1,369,738         1,288,608         \$ 28,365,032         \$ 27,0°           Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$ 35,861,631         \$ 34,0°           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2,199,648         \$ 40,732,236         \$ 38,5°           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$ 37,751,275         \$ 35,60           Mar-18         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,138,478         \$ 36,90           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$ 28,133,427         \$ 26,5°           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$ 30,282,	Jul-14	30,245,789	12.746.468	654,408	2,529,948	1.463.696	S 47,640,309	\$	46,176				
Oct-14         20,145,906         7,592,118         40,806         1,500,356         1,079,561         \$ 30,358,747         \$ 29,27           Nov-14         18,758,156         6,937,998         10,532         1,369,738         1,288,608         \$ 28,365,032         \$ 27,07           Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$ 35,861,631         \$ 34,00           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2,199,648         \$ 40,732,236         \$ 38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$ 37,751,275         \$ 35,60           Mar-18         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,138,478         \$ 36,93           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$ 28,133,427         \$ 26,57           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$ 30,282,973         \$ 28,37           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,         5 28,37         5 28,37         5 28,37	Aug-14	26,635,380	10,918.510	(?5,\$38)	2,165,000	1,395,107	\$ 41,038,159	\$	39,643.				
Nov-14	Sep-14	27,924,339	11,572,341	241,228	2,294,702	1,341,083	\$ 43,373,692	\$	42,032				
Dec-14         23,300,247         9,218,902         (335,004)         1,821,961         1,855,524         \$         35,861,631         \$         34,00           Jan-15         25,822,919         10,506,870         62,450         2,140,350         2.199,648         \$         40,732,236         \$         38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$         37,751,275         \$         35,60           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$         39,138,478         \$         36,90           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$         28,133,427         \$         26,57           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$         30,282,973         \$         28,33           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,         1,351,125         1,911,821         \$         30,282,973         \$         28,33	Oct-14	20,145,906	7,592,118	40,806	1,500.356	1.079.561	\$ 30,358,747	\$	29,279				
Jan-15         25,822,919         10,506,870         62,450         2,140,350         2.199,648         \$ 40,732,236         \$ 38,50           Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$ 37,751,275         \$ 35,60           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,138,478         \$ 36,90           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$ 28,133,427         \$ 26,50           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$ 30,282,973         \$ 28,30           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,	Nov-14	18,758,156	6,937,998	10,532	1,369,738	1.288.608	\$ 28,365,032	\$	27,076				
Feb-15         23,651,444         9,582,530         446,597         2,001,357         2,069,347         \$ 37,751,275         \$ 35,69           Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,138,478         \$ 36,99           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$ 28,133,427         \$ 26,57           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$ 30,282,973         \$ 28,37           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,	Dec-14	23,300,247	9,218,902	(335,004)	1,821,961	1.855,524	\$ 35,861,631	\$	34,006				
Mar-15         24,780,961         9,766,709         405,704         2,033,017         2,152,088         \$ 39,138,478         \$ 36,90           Apr-15         18,181,667         6,590,987         556,653         1,246,661         1,557,460         \$ 28,133,427         \$ 26,50           May-15         19,245,887         7,130,427         643,714         1,351,125         1,911,821         \$ 30,282,973         \$ 28,30           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge         Surcharge	Jan-15	25,822,919	10,506,870	62,450	2,140.350	2.199,648	\$ 40,732,236	\$	38,532.				
Apr-15         18,181.667         6.590.987         556.653         1,246.661         1.557.460         \$ 28,133,427         \$ 26,57           May-15         19.245.887         7,130,427         643.714         1,351,125         1,911.821         \$ 30,282,973         \$ 28,37           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,         28,37         28,37         28,37	Feb-15	23,651,444	9,582,530	446.597	2,001,357	2.069.347	\$ 37,751,275	\$	35,681.				
May-15         19.245.887         7.130,427         643.714         1.351,125         I.911.821         \$ 30,282,973         \$ 28,37           verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,	Mar-15	24,780,961	9,766,709	405,704	2,033,017	2.152.088	\$ 39,138,478	\$	36,986.				
verage Monthly Jurisdictional Revenues, Excluding Environmental Surcharge,	Apr-15	18,181.667	6.590,987	556,653	1,246,661	1.557,460	\$ 28,133,427	\$	26,575.				
	May-15 19.245.887 7,130.427 643.714 1,351,125 1,911.821 S 30,282,973												
1 I I I I I I I I I I I I I I I I I I I	5	35,317											

	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	Total Excluding Environmental Surcharge	Total Non-Fuel Revenues plus DSM		
Jun-14 S	33,283,517	\$ 18,737,795	\$ 1,954,247	\$ 669,820	S 1 579 922	(2)-(3)+(4)+(5)-(6) \$ 56,225,300	(7)-(6) \$ 54,645,379	(2)+(5) \$ 33.953.33		
Jun-14   5 Jul-14	33,763,287	3 18,757,793 18,606,578	1,147,175	733,697	3 1,3/9,932 1,741,525			\$ 33,496,98		
Aug-14	32,513,438	18,162,998	112,923	665,867	1,849,343	\$ 53,304,568	+	\$ 33,179,30		
Sep-14	35,830,535	20,220,639	283,429	711.285	1,894,389			\$ 36,541,82		
Oct-14	31,652,002	19,033,445	159,891	598,460	1,858,856			\$ 32,250,46		
Nov-14	24,607,043	13,022,790	23,355	516,356						
Dec-14	29,797,563	17,818,181	(468,132)		2,582,675			S 30,399,07		
Jan-15	29.739.784	17,420,467	(42,720)		2,734,369		4			
Feb-15	27,448,052	15,779,120	578,857	587,594	2,574,946			S 28,035,64		
Mar-15	30,236,104	17,481,064	718,034	616,745	2,849,863		\$ 49,051,946	S 30,852,84		
Apr-15	28,224,366	16,071,139	1,169,029	454,088	2,662,102		S 45,918,623	S 28,678,45		
May-15	30,015,651	15,869,786	1,370,025	493,980	3,197,608		S 47,749,441	S 30,509,63		
for 12 Months Ending	Average Monthly Jurisdictional Revenues, Excluding Environmental Surcharge and Fuel, for 12 Months Ending Current Expense Month.  Average Kentucky Jurisdictional Revenues excluding Environmental Surcharge for 12-months ending with Current Month =									
		d Revenues for 12-month					S 84,452,655 58,18%			

**ES FORM 3.10** 

# LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Reconciliation of Reported Revenues

For the Month Ended: May 31, 2015

		Revenues per	1	evenues per
W. A. the Dec 21 December 2	+-	Form 3.00	ince	ome Statement
Kentucky Retail Revenues	+			70.061.751
(1) Base Rates (Customer Charge, Energy Charge, Demand Charge)	\$	72,261,751	\$	72,261,751
(2) Fuel Adjustment Clause	\$	2,013,738	\$	2,013,738
(3) DSM	\$	1,845,105	\$	1,845,105
(4) Environmental Surcharge			\$	5,109,429
(5) CSR Credits			\$	(343,730)
(6) Total Kentucky Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	76,120,594		
Non -Jurisdictional Revenues				
(7) InterSystem (Total Less Transmission Portion Booked in Account 447)	\$	3,174,978	\$	3,174,978
(8) Total Non-Jurisdictional Revenues for Environmental Surcharge Purposes =	\$	3,174,978		
(9) Total Company Revenues for Environmental Surcharge Purposes =	\$	79,295,571		
Jurisdictional Allocation Ratio for Current Month [(5) / (8)] =		96.00%		
Reconciling Revenues				
(10) Brokered	\$		\$	<u> </u>
(11) InterSystem (Transmission Portion Booked in Account 447)			\$	
(12) Unbilled	T		\$	9,856,676
(13) Miscellaneous			\$	1,378,535
(14) Total Company Revenues per Income Statement =			\$	95,296,482

### Attachment 1

Summary of Calculation of Prior Period Adjustment included in the May 2015 Expense Month Filing and Revised ES Forms 1.10, 2.0, and 2.10 for the April 2015 Expense Month

### Attachment to Response to SV Question No. 2(h) Page 1180 of 1183

Summary of Calculation of Prior Period Adjustment included in the May 2015 Expense Month Filing

•	٦.		 	

1	2	3	4	5	6	7	8	
	Eligible Accumulated	Eligible Accumulated	Change to		Change to Return			
Expense	Depreciation As	Depreciation As	Eligible Accumulated	Rate of	on Rate Base	Retail Juris	Change to	
Month	Filed	Revised	Depreciation	Return	(Total E(m))	Allocation	Juris E(m)	
					(Col 4 x Col 5)/12		(Col 6 x Col 7)	
Apr-15	(\$54,985,546)	(\$54,876,989)	(\$108,556)	10.43%	(\$944)	93.04%	(\$878)	

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Calculation of Total E(m) and Group Surcharge Billing Factors

### For the Expense Month of April 2015

### Calculation of Total E(m)

E(m) = [(RB / 12) (	ROR+(RC	OR -DR)(TR/(1-TR)))] + OE - BAS + BR, where
RB	=	Environmental Compliance Rate Base
ROR	=	Rate of Return on the Environmental Compliance Rate Base
DR	=	Debt Rate (both short-term and long-term debt)
TR	=	Composite Federal & State Income Tax Rate
OE	=	Pollution Control Operating Expenses
BAS	=	Total Proceeds from By-Product and Allowance Sales
RR	=	Reneficial Reuse Operating Expenses

			Environmental Compliance Plans					
(1) RB		=	\$	819,161,023				
(2) RB/12		=	\$	68,263,419				
(3) (ROR + (ROR -	DR) (TR / (1 - TR)))	=		10.43%				
(4) OE		=	\$	785,773				
(5) BAS		=	\$	0				
(6) BR		=	\$	(43,558)				
(7) E(m)	(2) x (3) + (4) - (5) + (6)	=	\$	7,862,090				

Calculation of Adjusted Net Jurisdictional E(m)

(8)	Jurisdictional Allocation Ratio for Expense Month ES Form 3.10	=	93.04%
(9)	Jurisdictional E(m) = Total E(m) x Jurisdictional Allocation Ratio [(7) x (8)]	=	\$ 7,314,889
(10)	Adjustment for (Over)/Under-collection pursuant to Case No. 2013-00437	=	\$ -
(11)	Prior Period Adjustment (if necessary)	=	\$ -
(12)	Revenue Collected through Base Rates	=	\$ 1,029,918
(13)	Adjusted Net Jurisdictional E(m) $[(9) + (10) + (11) - (12)]$	=	\$ 6,284,971

Calculation of Group Environmental Surcharge Billing Factors

			GROUP 1 (Total Revenue)		GRO	UP 2 (Net Revenue)
(14)	Revenue as a Percentage of 12-month Total Revenue ending with the Current Month ES Form 3.00	=		41.73%		58.27%
(15)	Group E(m) [(13) x (14)]	=	\$	2,622,718	\$	3,662,253
(16)	Group R(m) = Average Monthly Group Revenue for the 12 Months Ending with the Current Expense Month ES Form 3.00	=	\$	35,299,567	\$	31,292,240
(17)	Group Environmental Surcharge Billing Factors [(15) ÷ (16)]	=		7.43%		11.70%

## LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Revenue Requirements of Environmental Compliance Costs For the Expense Month of April 2015

Determination of Environmental Compliance Rate Base

	Enviromental (	Compl	iance Plan
Eligible Pollution Control Plant	\$ 277,769,576		
Eligible Pollution CWIP Excluding AFUDC	541,667,410		
Subtotal		\$	819,436,986
Additions:			
Inventory - Emission Allowances per ES Form 2.31, 2.32 and 2.33	167		
Cash Working Capital Allowance	205,146		
Subtotal			205,313
Deductions:			
Accumulated Depreciation on Eligible Pollution Control Plant	(54,876,989)		
Pollution Control Deferred Income Taxes	55,358,265		
Subtotal			481,276
Environmental Compliance Rate Base		\$	819,161,023

**Determination of Pollution Control Operating Expenses** 

Determination of Fonditon Control Operating Expenses	
	Environmental Compliance Plan
Monthly Operations & Maintenance Expense	\$ 185,322
Monthly Depreciation & Amortization Expense	510,452
less investment tax credit amortization	-
Monthly Taxes Other Than Income Taxes	89,997
Monthly Emission Allowance Expense from ES Form 2.31, 2.32 and 2.33	2
Monthly Surcharge Consulting Fees	-
Construction Monitoring Consultant Fee	
Total Pollution Control Operations Expense	\$ 785,773

Determination of Beneficial Rense Operating Expenses

	Env	ironmental
	Comp	pliance Plan
Total Monthly Beneficial Reuse Expense	\$	8,403
Adjustment for Beneficial Reuse in Base Rates (from ES Form 2.61)		(51,961)
Net Beneficial Reuse Operations Expense	\$	(43,558)

Proceeds From By-Product and Allowance Sales

	1	Total	1	ount in se Rates		Net Proceeds	
	Pit	Proceeds (1)		(2)	(1) - (2)		
Allowance Sales	\$	0	\$	-	S	0	
Scrubber By-Products Sales		~		-		-	
Total Proceeds from Sales	\$	0	\$	-	\$	0	

#### LOUISVILLE GAS AND ELECTRIC COMPANY ENVIRONMENTAL SURCHARGE REPORT

Plant, CWIP & Depreciation Expense

For the Month Ended: April 30, 2015

(1)		(2)		(3)		(4)	1	(5)		(6)	(7)		(8)	_	(9)
Description		Eligible Plant In Service		Eligible Accumulated Depreciation		CWIP Amount Excluding AFUDC		Eligible Net Plant In Service		Deferred Tax Balance as of 4/30/2015	Monthly ITC Amortization Credit		Manthly epreciation Expense	P	Monthly roperty Tax Expense
								(2)-(3)+(4)							
2009 Plan:   Project 22 - Care Run CCP Storage (Landfill - Phase i) [CANCELLED]															
Project 23 - Trimble County Ash Treatment Basin (BAP/GSP)	S	9,599,354		785,009		-	8	8,814,344		654,917		S	19,647		1,112
Project 24 - Trimble County CCP Storage (Landfill - Phase 1)	S	4,067,717			\$	9,236,111		13,291,372		142,761		\$	8,304	\$	1,590
Project 25 - Beneficial Rouse	S	4,556,730	S	273,750	3	-	S	4,282,980	5	900,203		\$	9,078	ŝ	540
Suhtotal	S	18,223,801	\$	1,071,215	S	9,236,111	\$	26,388,697	3	1,697,881		\$	37,028	S	3,241
Less Retirements and Replacement resulting from implementation of 2009 Plan	3	(418,072)	S	(220,623)	S	-	\$	(197,449)	ŝ	(76.808)		\$	(844)	ŝ	(25)
Net Total - 2009 Plan:	3	17,805,729	\$	850,592	S	9,236,111	\$	26,191,248	\$	1,621,073		\$	36,184	3	3,217
2011 Plan:			_						<u> </u>				<del></del>		_
Project 26 - Mill Creek Station Air Compliance	5	342,124,347	S	2,807,263	S	455,118,720		794,435,803		58,908,709		2	581,981	\$	82,411
Project 27 - Trimble County Unit 1 Air Compliance	S	=	S	=	\$	77,312,579	S	77,312,579	Ŝ	=		5	-	\ \\	7,323
Subtotal	3	342,124,347	\$	2,807,263	S	532,431,299	5	\$71,748,382	2	58,908,709		\$	581,981	\$	89,734
Less Ratirements and Replacement resulting from implementation of 2011 Plan	s	(\$2,160,499)	2	(58,534,845)	\$		ŝ	(23,625,654)	s	(5.171,517)		s	(107,713)	\$	(2,953)
Net Total - 2011 Plan:	s	259,963,847	S	_(55,727,582)	S	532,431,299	\$	848,122,728	\$	53,737,192	s -	\$	474,268	\$	86,781
Net Total - All Plans:	1 2	277,769,576	1 8	(54,876,989)	S	541,667,410	15	874,313,975	<u></u> \$	55,358,265	2	\$	510,452	12	89,997

Note 1: Trimble County projects for the 2009 Plan are proportionately shared by KU at 48% and LG&E at 52%.

Note 2: Effective with the September 2012 expense month, Project 22 is cancelled and the previous CWIP balance is included on ES Form 2.50 as an expense for the September 2012 expense month.