

EXHIBIT 2

LOUISVILLE GAS AND ELECTRIC COMPANY
(807 KAR 5:001, SEC. 18(1)(b))

A DESCRIPTION OF APPLICANT'S PROPERTY, INCLUDING A
STATEMENT OF THE NET ORIGINAL COST OF THE PROPERTY
AND THE COST THEREOF TO APPLICANT

December 31, 2015

The applicant's generating, transmission and distribution systems described herein are calculated annually. As of December 31, 2015, the applicant had ownership in 8 and operated 6 coal fired steam electric generating units having a total capacity of 2,072 Mw; had ownership in and operated 12 combustion turbine generating units having a total capacity of 789 Mw; and owned and operated 1 hydroelectric generating station, the operation of which is affected by the water level and flow of the Ohio River, having a total capacity of 58 Mw.

The applicant's owned electric transmission system included 46 substations (32 of which are shared with the distribution system) with a total capacity of 8 million kVA and 677 pole miles of lines. The distribution system included 97 substations (32 of which are shared with the transmission system) with a total capacity of 5 million kVA, 3,899 circuit miles of overhead lines and 2,482 underground cable miles.

The applicant's natural gas transmission system includes 4,337 miles of gas distribution mains and 398 miles of gas transmission mains, consisting of 265 miles of gas transmission pipeline, 120 miles of gas transmission storage lines, 14 miles of gas combustion turbine lines, and 1 mile of gas transmission pipeline in regulator facilities. Five underground natural gas storage fields, with a total working natural gas capacity of approximately 15 Bcf, are used in providing natural gas service to ultimate consumers.

Other properties include an office building, service centers, warehouses, garages and other structures and equipment, the use of which is common to both the electric and gas departments.

The net original cost of the property and cost thereof to the applicant at December 31, 2015, was:

	<u>Electric</u>	<u>Gas</u>	<u>Common</u>	<u>Total</u>
Original Cost	\$ 5,201,466,162	\$ 1,045,718,606	\$ 276,241,669	\$ 6,523,426,437
Less Reserve for				
Depreciation	1,374,893,759	216,261,565	137,490,722	1,728,646,046 *
Net Original Cost	3,826,572,403	829,457,041	138,750,947	4,794,780,391
Allocation of Common				
To Electric and Gas	97,125,663	41,625,284	(138,750,947)	-
Total	\$ 3,923,698,066	\$ 871,082,325	\$ -	\$ 4,794,780,391

* Excludes \$301,559,455 related to cost of removal reserves that is not included in the reserve in the Financial Statements and Additional Information, but instead is included as a regulatory liability.