

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ) CASE NO. 2020-00349  
ADJUSTMENT OF ITS ELECTRIC RATES, A )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO DEPLOY ADVANCED )  
METERING INFRASTRUCTURE, APPROVAL )  
OF CERTAIN REGULATORY AND )  
ACCOUNTING TREATMENTS, AND )  
ESTABLISHMENT OF A ONE-YEAR )  
SURCREDIT )**

**In the Matter of:**

**ELECTRONIC APPLICATION OF LOUISVILLE )  
GAS AND ELECTRIC COMPANY FOR AN ) CASE NO. 2020-00350  
ADJUSTMENT OF ITS ELECTRIC AND GAS )  
RATES, A CERTIFICATE OF PUBLIC )  
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ADVANCED METERING INFRASTRUCTURE, )  
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ESTABLISHMENT OF A ONE-YEAR )  
SURCREDIT )**

**DIRECT TESTIMONY  
AND EXHIBITS OF  
LANE KOLLEN**

**ON BEHALF OF THE  
OFFICE OF THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY  
AND KENTUCKY INDUSTRIAL UTILITY CUSTOMERS**

**J. KENNEDY AND ASSOCIATES, INC.  
ROSWELL, GEORGIA**

**MARCH 2021**

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**DIRECT TESTIMONY OF LANE KOLLEN**

**I. QUALIFICATIONS AND SUMMARY**

1  
2

3 **Q. Please state your name and business address.**

4 A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc.  
5 ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell,  
6 Georgia 30075.

1

2 **Q. Please state your occupation and employer.**

3 A. I am a utility rate and planning consultant holding the position of Vice President  
4 and Principal with the firm of Kennedy and Associates.

5

6 **Q. Please describe your education and professional experience.**

7 A. I earned a Bachelor of Business Administration in Accounting degree and a  
8 Master of Business Administration degree from the University of Toledo. I also  
9 earned a Master of Arts degree in theology from Luther Rice University. I am a  
10 Certified Public Accountant (“CPA”), with a practice license, a Certified  
11 Management Accountant (“CMA”), and a Chartered Global Management  
12 Accountant (“CGMA”). I am a member of numerous professional organizations,  
13 including the American Institute of Certified Public Accountants, the Institute of  
14 Management Accounting, and the Society of Depreciation Professionals.

15 I have been an active participant in the utility industry for more than forty  
16 years, initially as an employee of an electric and natural gas utility, then as a  
17 consultant assisting utilities in their resource planning and financial analyses, and  
18 thereafter as a consultant assisting government agencies and large users of  
19 electricity and natural gas utility services. I have testified as an expert witness on  
20 ratemaking, accounting, finance, tax issues, and planning issues in proceedings  
21 before regulatory commissions and courts at the federal and state levels on  
22 hundreds of occasions, including numerous proceedings before the Kentucky  
23 Public Service Commission (“Commission”) involving Kentucky Utilities

1 Company (“KU” or “Company”), Louisville Gas and Electric Company (“LG&E”  
2 or “Company”), Kentucky Power Company (“KPCo”), Duke Energy Kentucky,  
3 Inc. (“Duke Energy Kentucky”), East Kentucky Power Company (“EKPC”), Big  
4 Rivers Electric Corporation (“BREC”), Atmos Energy Corporation (“Atmos”),  
5 Columbia Gas of Kentucky, Inc. (“Columbia Gas”), Kentucky-American Water  
6 Company (“KAW”), and Water Service Corporation of Kentucky (“WSCK”).<sup>1</sup>  
7

8 **Q. On whose behalf are you testifying?**

9 A. I am testifying on behalf of the Office of the Attorney General of the  
10 Commonwealth of Kentucky (“AG”) and Kentucky Industrial Utility Customers,  
11 Inc. (“KIUC”), which together represent residential and large industrial  
12 manufacturers taking electric service on the KU and LG&E (collectively,  
13 “Companies”) systems. The AG and KIUC have been active participants in all  
14 significant KU and LG&E rate and certification proceedings for many years.  
15

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to summarize the AG and KIUC adjustments to  
18 the Companies’ requested increases in their base and environmental cost recovery  
19 (“ECR”) surcharge revenues<sup>2</sup> and address specific issues that affect these  
20 increases, including the timing and form of recovery of the net book value and

---

<sup>1</sup> My qualifications and regulatory appearances are further detailed in my Exhibit \_\_\_(LK-1).

<sup>2</sup> In addition to the base rate increases requested in these proceedings, the Companies request that the Commission increase the depreciation rates and return on equity reflected in the ECR.

1 future decommissioning costs of the Companies' retired coal-fired and gas-fired  
2 generating units.

3

4 **Q. What is the most significant issue in these proceedings?**

5 A. The single most significant issue in these proceedings is the recovery of the  
6 remaining net book value of the Companies' coal-fired generating units and the  
7 decommissioning costs incurred after they are retired.

8 The Companies propose shorter remaining service lives for their coal-fired  
9 generating units for depreciation purposes, and therefore, significant increases in  
10 the depreciation rates and depreciation expense in these proceedings, although  
11 they emphasize that the probable retirement dates developed for this purpose are  
12 not commitments to actually retire the generating units on those earlier dates.

13 The Companies' request increases in depreciation rates for the coal-fired  
14 generating units that will increase KU's jurisdictional depreciation expense by  
15 \$61.995 million and LG&E's electric depreciation expense by \$63.211 million.  
16 The increases in depreciation expense are reflected primarily in the requested  
17 increases to the Companies' base revenues, but also will result in increases to  
18 their ECR revenues.

19 The largest increases in proposed depreciation rates and expense are for  
20 KU's Brown 3 generating unit and LG&E's Mill Creek 1 and Mill Creek 2  
21 generating units. The proposed increase in the Brown 3 depreciation rates and  
22 expense comprises \$41.769 million of KU's claimed base revenue requirement

1 and another \$1.786 million increase in the ECR revenue requirement.<sup>3</sup> The  
2 proposed increases in the Mill Creek 1 and Mill Creek 2 depreciation rates and  
3 expense comprise \$44.837 million of LG&E's claimed electric base revenue  
4 requirement (there are no current ECR projects for these generating units).<sup>4</sup>

5 This pattern of dramatic increases in depreciation rates and depreciation  
6 expense will be magnified and repeated in future rate proceedings if additional  
7 carbon emission reductions are mandated, carbon emission taxes are imposed, or  
8 other regulations and requirements are enacted or imposed and the probable or  
9 actual retirement dates of the coal-fired generating units are accelerated even  
10 more.

11 The Commission has the opportunity in these proceedings to address the  
12 timing and form of recovery of the net book value of these coal-fired generating  
13 units and future decommissioning costs, along with the cost and form of  
14 financing, in a comprehensive manner that will minimize the effects on customers  
15 while providing the Companies full recovery of their prudent and reasonable  
16 costs.

17 I address these issues in my testimony and make recommendations that  
18 provide a comprehensive ratemaking and financing framework for recovery of  
19 these costs in these proceedings and future ratemaking proceedings as the  
20 statutory and other requirements, as well as the economics, continue to evolve in  
21 the future.

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<sup>3</sup> This amount is the increase in depreciation expense only and does not include gross-ups or the return on rate base.

<sup>4</sup> *Id.*

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**Q. Please summarize your testimony.**

A. I recommend that the Commission reduce KU’s requested base rate increase by at least \$122.235 million, to no more than \$47.885 million compared to its requested increase of \$170.121 million. I recommend that the Commission reduce KU’s ECR rate increase by at least \$5.452 million, to reflect a rate decrease of \$0.242 million compared to its requested increase of \$5.210 million after the Company’s proposed roll-in of certain ECR projects into the base revenue requirement.

I recommend that the Commission reduce LG&E’s requested electric base rate increase by at least \$101.039 million, to no more than \$30.034 million compared to its requested increase of \$131.073 million. I recommend that the Commission reduce LG&E’s ECR rate increase by at least \$3.261 million, to no more than \$1.344 million compared to its requested increase of \$4.605 million after the Company’s proposed roll-in of certain ECR projects into the base revenue requirement.

I recommend that the Commission reduce LG&E’s requested gas base rate increase by at least \$30.383 million, to a rate decrease of at least \$0.395 million compared to its requested increase of \$29.988 million.

The following table lists each AG and KIUC adjustment and the effect on each Company’s claimed base and ECR rate increases. The amounts for KU are shown on a Kentucky jurisdiction basis and the amounts for LG&E are shown

1 separately for electric and gas.<sup>5</sup>

2

3

Kentucky Utilities Company and Louisville Gas & Electric Company Summary of Revenue Requirement Adjustments-Jurisdictional Electric Operations Recommended by AG-KIUC Case Nos. 2020-00349 and 2020-00350 For the Test Year Ended June 30, 2022 (\$ Millions)			
	KU Amount	LG&E Electric Amount	LG&E Gas Amount
<b>Base Rate Increase Requested by Companies</b>	170.121	131.073	29.988
<b>AG and KIUC Rate Base Issues</b>			
Utilize Rate Base Instead of Capitalization to Reflect Return On Component for Base Rates	(3.420)	(0.645)	(0.848)
Modify CWC to Exclude Non-Cash Amounts	(4.592)	(3.267)	(0.531)
Exclude Non-Cash Pension and OPEB Related Asset and Liability Amounts	(7.021)	(7.460)	(2.254)
Exclude All Account 184 Pension Clearing Account Amounts	(0.498)	(0.563)	(0.177)
Reduce Account 186 to Correct Company Error in Projected Balances	(0.249)	(0.085)	-
Remove 95% of Corrected Account 186 Balance to Reflect as CWIP	(1.128)	(0.458)	-
Reduce CWIP by the Amount of Vendor Financing in Accounts Payable	(1.720)	(0.865)	(0.644)
Remove the Remainder of CWIP from Rate Base	(12.334)	(5.160)	(3.841)
Adjust Accumulated Depreciation and ADIT for Depreciation Expense Changes	1.414	1.509	-
<b>AG and KIUC Operating Income Issues</b>			
Reduce Payroll and Related Expenses Due to Excessive Staffing Levels	(5.120)	(7.502)	(3.119)
Normalize Generation Outage Exp Using 8 Year Actual, Adj for Retirements and Inflation	(3.887)	(1.578)	-
Reduce Pension and OPEB Expenses to 2020 Levels	(1.453)	(1.676)	(0.577)
Remove 401K Matching Costs for Employees Who Also Participate in Defined Benefit Plan	(0.848)	(0.661)	(0.220)
Remove Increases for Outside Services in Account 923	(3.308)	(3.268)	(1.372)
Reduce Increases for Miscellaneous Expenses in Account 588	(0.667)	(0.429)	-
Reduce Increase for Maintenance of Mains in Account 868	-	-	(9.729)
Reduce Depreciation Expense to Reflect Present Depr. Rates for Brown 3 and Mill Creek 1 & 2	(41.976)	(45.019)	-
<b>AG and KIUC Cost of Capital Issues</b>			
Reduce LTD Rate Related to June 30, 2021 Issuance	(0.442)	(0.590)	(0.174)
Reduce Return on Equity from 10.0% to 9.00%	(34.985)	(23.323)	(6.897)
<b>Total AG-KIUC Adjustments to Companies Base Rate Increases</b>	<u>(122.235)</u>	<u>(101.039)</u>	<u>(30.383)</u>
<b>Maximum Base Rate Increase After AG and KIUC Adjustments</b>	<u>47.885</u>	<u>30.034</u>	<u>(0.395)</u>
<b>Environmental Surcharge Increase Based on Requested Return on Equity</b>	1.390	1.211	
<b>Environmental Surcharge Increase Based on Requested Depreciation Rate Changes</b>	3.820	3.394	
AG-KIUC Reduce LTD Rate Due to June 30, 2021 Issuance	(0.046)	(0.080)	
AG-KIUC Reduce Return on Equity from 10.0% to 9.00%	(3.673)	(3.181)	
AG-KIUC Reduce Depreciation Expense for Brown Unit 3	(1.734)	-	
<b>Maximum ECR Increase After AG and KIUC Adjustments</b>	<u>(0.242)</u>	<u>1.344</u>	
<b>Maximum Net Rate Increases After AG and KIUC Adjustments</b>	<u>47.643</u>	<u>31.378</u>	<u>(0.395)</u>

4

5

6

In the subsequent sections of my testimony, I address each of the issues

---

<sup>5</sup> The calculations are detailed in my workpapers for each Company, which have been filed with my testimony in the form of an Excel workbook in live format.

1 reflected in the preceding table in greater detail. I also quantify the effects of AG  
2 and KIUC witness Mr. Richard Baudino's recommendation to reduce the cost of  
3 long-term debt and authorize a return on equity of 9.0% for the base and ECR  
4 revenue requirements.

5 I recommend numerous changes in the timing, form, and/or methodology  
6 for cost recovery sought by the Companies in this and future rate proceedings, the  
7 first four of which affect the base rate increases in these proceedings and the last  
8 of which affects the computation of the off-system sales adjustment clause  
9 ("OSSAC") rider.

10 First, I recommend that the Commission adopt a new Retirement Rider  
11 that will allow the Companies to recover the actual remaining net book value and  
12 actual decommissioning costs of coal-fired and gas-fired generating units after  
13 they are retired, net of the savings in non-fuel operation and maintenance  
14 ("O&M") expenses, other operating expenses, and the decline in the return on rate  
15 base compared to the costs included in the base revenues until the costs are  
16 removed when base rates are reset in a future base rate case proceedings.

17 The Retirement Rider is patterned, in part, after the Decommissioning  
18 Rider adopted by the Commission for Kentucky Power Company to recover the  
19 costs of the Big Sandy 2 and Big Sandy 1 coal-fired assets after they were retired  
20 on a levelized (annuitized) basis. In addition, the Retirement Rider will facilitate  
21 the Companies' use of low-cost securitization financing to payoff these stranded  
22 costs and reduce the costs to customers, as well as incentivize the Companies to  
23 support securitization financing and enabling legislation.

1           Second, I recommend that the Commission utilize rate base instead of  
2 capitalization for the return on component of the base revenue requirement. The  
3 return on rate base approach is more precise than capitalization and is consistent  
4 with the Commission’s decisions to adopt the rate base approach for Duke Energy  
5 Kentucky in its most recent electric and gas base rate cases, Kentucky Power  
6 Company in its most recent base rate case, and its historic use for other investor-  
7 owned utilities subject to the Commission’s ratemaking jurisdiction.

8           Third, I recommend that the Commission exclude construction work in  
9 progress (“CWIP”) from rate base, or capitalization if the rate base approach is  
10 not adopted, and instead direct the Companies to capitalize their construction  
11 financing costs as additions to CWIP in the form of Allowance for Funds Used  
12 During Construction (“AFUDC”) effective when rates are reset in these  
13 proceedings. The AFUDC approach ensures that all construction costs, including  
14 the financing costs, are included in the Companies’ rate base and recovered over  
15 the service lives of the assets rather than recovered as a current cost during the  
16 construction period. The AFUDC approach will ensure that the KU and LG&E  
17 construction financing costs are treated the same among all large investor-owned  
18 utilities subject to the Commission’s jurisdiction for ratemaking purposes,  
19 including Kentucky Power Company, Duke Energy Kentucky (electric and gas),  
20 Atmos, and Columbia Gas, and treated the same as KU in its FERC jurisdiction.

21           Fourth, I recommend that the Commission calculate the normalized  
22 generation outage expense using an inflation-adjusted average of historic actual  
23 expenses with no true-up mechanism. I recommend that it reject the Companies’

1 proposal to calculate this expense using an average of historic and forecast outage  
2 expense, subject to an open-ended true-up and deferral of future actual outage  
3 expense compared to the amount included in the base revenue requirement. The  
4 use of historic actual expenses and exclusion of forecast expenses ensures that the  
5 normalized expense included in the base revenue requirement accurately reflects  
6 actual outage expenses, adjusted to remove expense for generating units already  
7 retired and for inflation, and that the Companies are properly incentivized to  
8 control and minimize future outage expense.

9 Fifth, to the extent the Commission approves the Companies' requested  
10 Certificate of Public Convenience and Necessity ("CPCN") for the AMI meters  
11 and infrastructure and its proposed accounting and ratemaking for the costs of the  
12 assets and the deployment, including the requested series of regulatory assets and  
13 regulatory liabilities, then I recommend certain modifications to these requests  
14 and proposals. The modifications are necessary to ensure that customers pay no  
15 more than the Companies' actual costs, net of the savings that they achieve,  
16 including offsets to the recovery of costs through the base revenue requirement  
17 they no longer will incur as the AMI meters and infrastructure are deployed, such  
18 as meter reading expenses and depreciation expense on the existing meters and  
19 infrastructure.

20 Sixth, I recommend that the Commission modify the sharing percentage  
21 for off-system sales margins through the OSSAC from the present 75%  
22 customers/25% Companies to 100% customers/0% Companies. This change in  
23 the sharing percentages will ensure that customers are provided the same share of

1 these margins as they pay for the capital related costs, fuel expense, and other  
2 non-fuel expenses of the generating facilities included in the base and ECR rates  
3 that are used to make these off-system sales.  
4

5 **Q. Does the Companies' use of a forecast test year ending June 30, 2022 impact**  
6 **the Commission's review of their requests?**

7 A. Yes. Unlike a historic test year based on actual results, a forecast test year is not  
8 anchored in actual results. All operating revenues, operating expenses, rate base,  
9 capitalization, and cost of capital components are projected based on thousands of  
10 assumptions, including programs and approaches that may or not reflect the actual  
11 costs that will be incurred from July 1, 2021 through June 30, 2022. In fact,  
12 utilities, in conjunction with a forecast test year, have every incentive to  
13 understate their revenues and overstate their costs (expenses, capitalized costs  
14 (CWIP and plant), and deferrals, among others) to maximize their base revenue  
15 increases. The future actual base revenues are not trued-up to the forecast  
16 revenues and the utilities are not obligated actually to incur the forecast costs once  
17 the Commission sets their revenue requirements. In addition, the utilities have  
18 every incentive to propose new programs that increase rate base/capitalization,  
19 which is the basis for revenues and earnings growth, an important consideration  
20 for their shareholders when growth in customer sales is nonexistent or even  
21 negative and, therefore, does not contribute to increased revenues and earnings.

22 The Commission should carefully and critically review the Companies'  
23 requests, particularly when they seek approval for new programs, or include



1 1 from 2032 to 2024, and Mill Creek 2 from 2034 to 2028. The Companies also  
2 propose changes to the probable retirement dates of Ghent 4, Mill Creek 3, and  
3 Mill Creek 4, and Trimble County 1, although the effects of these changes are less  
4 significant in proceedings.

5

6 **Q. Should the Companies' economic study to support earlier probable**  
7 **retirement dates for depreciation study purposes be used to make actual**  
8 **retirement decisions?**

9 A. No. The economic study is based on assumptions about a future that is unknown  
10 and uncertain and should not be relied on to make retirement decisions at this  
11 time. As the probable retirement dates approach, the Companies should be  
12 directed to perform detailed retirement studies sufficiently in advance of their  
13 future Integrated Resource Plan ("IRP") filings so that the Commission and other  
14 parties can assess whether the retirements are necessary and economic, whether  
15 new resources are necessary, and the extent of the new transmission assets and  
16 costs that are necessary as a result of the retirements of existing generating units  
17 and the addition of new resources and storage.

18

19 **Q. Is the timing of the request to increase depreciation rates unusual?**

20 A. Yes. The Companies requested increases in depreciation rates on their coal-fired  
21 generating units in Case Nos. 2018-00294 and 2018-00295, their last base rate  
22 case proceedings. The Commission authorized the proposed depreciation rates in  
23 the context of a settlement of the revenue requirement issues in those proceedings

1 less than two years ago in its Orders dated April 30, 2019. Typically, a utility  
2 undertakes a depreciation study and seeks to modify depreciation rates no more  
3 frequently than every three to five years. That is because the service lives and  
4 other assumptions (parameters) rarely change significantly within a shorter  
5 period, especially for long-lived assets, such as generating units.

6 In these proceedings, the Companies claim that they “have experienced  
7 significant changes in facts and circumstances surrounding their remaining coal-  
8 fired generation fleet that must be addressed now in depreciation rates to avoid  
9 the risk of stranded assets and inter-generational inequities.”<sup>7</sup>

10

11 **Q. Do you agree that there have been sufficiently material changes in facts and**  
12 **circumstances since the Companies’ last rate cases that merit another round**  
13 **of depreciation rate and depreciation expense increases for the Companies’**  
14 **coal-fired generating units?**

15 A. No, although the Companies’ claims and requests highlight the ratemaking and  
16 recovery issues that the Commission will need to address, including the claim of  
17 intergenerational inequities, in these and future base rate case proceedings. The  
18 Retirement Rider and/or securitization that I propose address these concerns.

19

20 **Q. How do the proposed depreciation rates and expense compare to the present**  
21 **depreciation rates and expense for these coal-fired generating units based on**

---

<sup>7</sup> Direct Testimony of Paul Thompson at 20-21. Also addressed in the Direct Testimony of Lonnie Bellar and Direct Testimony of John Spanos.

1           **the plant in service balances as of the June 30, 2020 date utilized by Mr.**  
2           **Spanos in his depreciation studies?**

3    A.    The increases are significant, as shown in the following table.    The most  
4           significant are the increases in depreciation rates and expense for the Brown 3 and  
5           Mill Creek 1 and Mill Creek 2 generating units.<sup>8</sup>    These are the generating units  
6           that the Companies most likely will retire in the next eight years; however, they  
7           have significant remaining net book values and significant estimated  
8           decommissioning costs that the Companies now seek to recover over fewer years  
9           in the proposed depreciation rates and expense.

---

<sup>8</sup> The depreciation rates for each generating unit are calculated on a group basis. The Companies propose depreciation rates for the units at the plant account level. I compare the calculation of the present and proposed depreciation rates and expense for each generating unit at the plant account level in my Exhibit\_\_(LK-2).

1

<b>KU and LG&amp;E Coal Units</b>						
<b>Current and Requested Depreciation Rates and Related Expense</b>						
<b>Sourced From 2020 Depreciation Study</b>						
	Probable Retirement Year	Gross Plant at 6/30/2020	Current Average Depr Rate	Requested Average Depr Rate	Annual Depreciation Expense Current Depr Rates	Annual Depreciation Expense Requested Depr Rates
<b>KU Coal Units</b>						
Brown Unit 3 - Including Scrubber	2028	990,387,979	4.96%	9.50%	49,162,482	94,086,343
Ghent Unit 1 - Including Scrubber	2034	613,007,498	4.31%	4.81%	26,430,531	29,460,675
Ghent Unit 2 - Including Scrubber	2034	445,660,451	3.80%	4.46%	16,918,556	19,855,651
Ghent Unit 3 - Including Scrubber	2037	720,912,562	3.32%	3.70%	23,943,256	26,699,569
Ghent Unit 4 - Including Scrubber	2037	1,378,870,113	4.06%	4.70%	55,990,865	64,821,099
Trimble County Unit 2 - Including Scrubber	2066	<u>1,008,915,449</u>	2.10%	2.26%	<u>21,220,783</u>	<u>22,830,475</u>
Total Coal-Fired Units		<u>5,157,754,052</u>			<u>193,666,473</u>	<u>257,753,813</u>
KU Retail Allocation		93.75%			93.75%	93.75%
Retail Allocation of All Coal-Fired Units		<u>4,835,394,424</u>			<u>181,562,318</u>	<u>241,644,199</u>
<b>LG&amp;E Coal Units</b>						
Mill Creek Unit 1	2024	266,798,256	5.34%	14.82%	14,248,550	39,533,506
Mill Creek Unit 2 - Including Scrubber	2028	396,439,846	5.95%	10.88%	23,599,187	43,117,326
Mill Creek Unit 3 - Including Scrubber	2039	561,903,238	4.41%	4.49%	24,801,204	25,203,245
Mill Creek Unit 4 - Including Scrubber	2039	1,131,833,870	3.58%	4.64%	40,547,284	52,520,553
Trimble County Unit 1 - Including Scrubber	2045	632,820,311	2.55%	3.10%	16,114,538	19,618,004
Trimble County Unit 2 - Including Scrubber	2066	<u>359,018,035</u>	2.36%	2.54%	<u>8,479,570</u>	<u>9,120,301</u>
Total Coal Units		<u>3,348,813,556</u>			<u>127,790,332</u>	<u>189,112,935</u>

2

3

4 **Q. What are the remaining net book values and estimated decommissioning**  
5 **costs (net salvage) for each coal-fired generating unit at June 30, 2020, the**  
6 **date of the Companies' depreciation studies?**

7 A. The remaining net book value and estimated decommissioning costs (net salvage)  
8 for each coal-fired generating unit at June 30, 2020 are shown in the following  
9 tables.<sup>9</sup>

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<sup>9</sup> *Id.*

1

<b>KU and LG&amp;E Coal Units</b>				
<b>NBV and Decommissioning Balances as of June 30, 2020</b>				
<b>Sourced From 2020 Depreciation Study</b>				
	Probable Retirement Year	NBV at 6/30/2020	Net Salvage Added in 2020 Depr Study Escalated Until Retirement Date	Total to be Recovered at 6/30/2020
<b>KU Coal Units</b>				
Brown Unit 3 - Including Scrubber	2028	701,440,772	39,615,519	741,056,291
Ghent Unit 1 - Including Scrubber	2034	357,093,076	42,910,525	400,003,601
Ghent Unit 2 - Including Scrubber	2034	237,241,451	31,196,232	268,437,683
Ghent Unit 3 - Including Scrubber	2037	383,723,509	50,463,879	434,187,388
Ghent Unit 4 - Including Scrubber	2037	967,054,957	96,520,908	1,063,575,865
Trimble County Unit 2 - Including Scrubber	2066	793,163,886	131,159,008	924,322,894
Total Coal-Fired Units		<u>3,439,717,651</u>	<u>391,866,071</u>	<u>3,831,583,722</u>
KU Retail Allocation		93.75%	93.75%	93.75%
Retail Allocation of All Coal-Fired Units		<u>3,224,735,298</u>	<u>367,374,442</u>	<u>3,592,109,740</u>
<b>LG&amp;E Coal Units</b>				
Mill Creek Unit 1	2024	156,687,544	18,675,878	175,363,422
Mill Creek Unit 2 - Including Scrubber	2028	309,122,536	27,750,789	336,873,325
Mill Creek Unit 3 - Including Scrubber	2039	410,743,387	39,333,227	450,076,614
Mill Creek Unit 4 - Including Scrubber	2039	858,426,274	79,228,371	937,654,645
Trimble County Unit 1 - Including Scrubber	2045	374,834,477	69,610,234	444,444,711
Trimble County Unit 2 - Including Scrubber	2066	315,711,480	39,491,984	355,203,464
Total Coal Units		<u>2,425,525,698</u>	<u>274,090,483</u>	<u>2,699,616,181</u>

2

3

4 **Q. Is this pattern of ever-increasing depreciation rates and depreciation expense**  
5 **likely to repeat itself in future base rate case proceedings?**

6 A. Yes. There is a relentless political drive not only to reduce, but to eradicate,  
7 carbon emissions and to replace coal-fired generation with renewable and other  
8 resources, including storage, regardless of the cost to do so and the relative  
9 economics. To the extent there are further accelerations in the potential or actual  
10 retirements of coal-fired generating units, the resulting transitions to new  
11 generation and storage resources and transmission requirements will impose

1 additional costs on KU and LG&E and their customers. These costs will include  
2 the acquisition or construction of new generation resources and storage, as well as  
3 the construction of new transmission facilities necessary to provide voltage  
4 support and ensure reliability as existing generating units are retired and  
5 intermittent renewables resources and storage are added.

6

7 **Q. What are the estimated net book values and future decommissioning costs**  
8 **for the Companies' coal-fired generating units and natural gas-fired**  
9 **generating units at the end of 2035?**

10 A. I have estimated the net book value and future decommissioning cost for each of  
11 the Companies' coal-fired generating units and gas-fired generating units as  
12 shown on the following tables at the end of 2035. I used the net negative salvage  
13 percentages developed by Mr. Spanos to determine the future decommissioning  
14 costs for each unit. Mr. Spanos developed these net negative salvage percentages  
15 to use in the Companies' depreciation studies by escalating the costs of  
16 decommissioning to future dollars corresponding with the estimated retirement  
17 dates for each unit.

18 I chose the end of 2035 for these estimated costs to correspond to the  
19 earliest date cited in President Biden's recent Executive Order directing various  
20 federal agencies and task forces to develop a "comprehensive plan" that "shall  
21 aim to use, as appropriate and consistent with applicable law, all available  
22 procurement authorities to achieve or facilitate: (i) a carbon pollution-free  
23 electricity sector no later than 2035," and the stated objective of the Executive

1 Order to “put the United States on a path to achieve net-zero emissions, economy-  
2 wide, by no later than 2050.”<sup>10</sup>

3 For KU, using the Company’s proposed new depreciation rates, I estimate  
4 the sum of these costs will be \$2,220 million at the end of 2035, consisting of the  
5 net book value at \$877 million and the future decommissioning cost at \$367  
6 million, or a total of \$1,244 million, for the coal-fired generating units and the net  
7 book value at \$896 million and the future decommissioning cost at \$80 million, or  
8 a total of \$976 million, for the gas-fired generating units.

9 For LG&E, using the Company’s proposed new depreciation rates, I  
10 estimate the sum of these costs will be \$1,653 million at the end of 2035,  
11 consisting of the net book value at \$674 million and the future decommissioning  
12 cost at \$274 million, or a total of \$948 million, for the coal-fired generating units  
13 and the net book value at \$670 million and the future decommissioning cost at  
14 \$34 million, or a total of \$704 million, for the gas-fired generating units.

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<sup>10</sup> “Executive Order On Tackling The Climate Crisis At Home And Abroad” dated January 27, 2021.

1

<b>Kentucky Utilities Company</b>				
<b>NBV and Decommissioning Balances for Early Retirements as of December 31, 2035</b>				
<b>Starting Data Sources From 2020 Depreciation Study</b>				
<b>Depreciation Expense Based on Utilization of 2020 Depreciation Study Requested Depreciation Rates</b>				
	Probable Retirement Year	NBV at 12/31/2035	Net Salvage Added in 2020 Depr Study Escalated Until Retirement Date	Total to be Recovered at 12/31/2035
<b>Coal-Fired Units</b>				
Brown Unit 3 - Including Scrubber	2028	(7,451,885)	39,615,519	32,163,634
Ghent Unit 1 - Including Scrubber	2034	16,178,199	42,910,525	59,088,724
Ghent Unit 2 - Including Scrubber	2034	16,856,955	31,196,232	48,053,186
Ghent Unit 3 - Including Scrubber	2037	93,740,143	50,463,879	144,204,022
Ghent Unit 4 - Including Scrubber	2037	168,560,818	96,520,908	265,081,726
Trimble County Unit 2 - Including Scrubber	2066	647,335,441	131,159,008	778,494,450
Total Coal-Fired Units		<u>935,219,671</u>	<u>391,866,071</u>	<u>1,327,085,742</u>
KU Retail Allocation		93.75%	93.75%	93.75%
Retail Allocation of All Coal-Fired Units		<u>876,768,441</u>	<u>367,374,442</u>	<u>1,244,142,883</u>
<b>Gas-Fired Units</b>				
Cane Run CC 7	2055	475,933,110	41,945,270	517,878,380
Trimble County CT 5	2042	36,705,094	3,707,760	40,412,854
Trimble County CT 6	2042	37,486,838	3,764,536	41,251,373
Trimble County CT 7	2044	31,791,230	3,011,084	34,802,314
Trimble County CT 8	2044	30,270,165	2,871,635	33,141,800
Trimble County CT 9	2044	30,809,290	2,911,493	33,720,783
Trimble County CT 10	2044	38,914,209	3,622,619	42,536,828
Brown CT 5	2041	20,793,519	1,558,398	22,351,917
Brown CT 6	2039	35,122,969	2,994,572	38,117,541
Brown CT 7	2039	30,007,067	2,396,836	32,403,903
Brown CT 8	2035	27,646,836	2,262,284	29,909,120
Brown CT 9	2034	28,609,643	2,867,081	31,476,724
Brown CT 10	2035	22,595,635	2,193,352	24,788,987
Brown CT 11	2036	37,260,977	3,220,601	40,481,578
Paddy's Run Generator 13	2041	25,775,735	1,960,716	27,736,451
Haefling Units 1,2, and 3	2025	383,995	527,808	911,803
Pipelines to Gas Units	Various	45,266,542	3,704,292	48,970,834
Total Gas-Fired Units and Pipelines		<u>955,372,853</u>	<u>85,520,337</u>	<u>1,040,893,190</u>
KU Retail Allocation		93.75%	93.75%	93.75%
Retail Allocation of All Gas-Fired Units		<u>895,662,050</u>	<u>80,175,316</u>	<u>975,837,366</u>
Retail All Coal-Fired and Gas-Fired Units		<u>1,772,430,491</u>	<u>447,549,758</u>	<u>2,219,980,249</u>

2  
3

1

<b>Louisville Gas and Electric Company</b>				
<b>NBV and Decommissioning Balances for Early Retirements as of December 31, 2035</b>				
<b>Starting Data Sources From 2020 Depreciation Study</b>				
<b>Depreciation Expense Based on Utilization of 2020 Depreciation Study Requested Depreciation Rates</b>				
	Probable Retirement Year	NBV at 12/31/2035	Net Salvage Added in 2020 Depr Study Escalated Until Retirement Date	Total to be Recovered at 12/31/2035
<b>Coal Units</b>				
Mill Creek Unit 1	2024	9,127,013	18,675,878	27,802,891
Mill Creek Unit 2 - Including Scrubber	2028	(23,885,795)	27,750,789	3,864,994
Mill Creek Unit 3 - Including Scrubber	2039	88,243,175	39,333,227	127,576,402
Mill Creek Unit 4 - Including Scrubber	2039	194,549,637	79,228,371	273,778,008
Trimble County Unit 1 - Including Scrubber	2045	172,015,938	69,610,234	241,626,172
Trimble County Unit 2 - Including Scrubber	2066	234,316,169	39,491,984	273,808,152
Total Coal Units		<u>674,366,136</u>	<u>274,090,483</u>	<u>948,456,619</u>
<b>Other Production - Gas</b>				
Cane Run CC 7	2055	234,756,840	13,283,970	248,040,809
Trimble County CT 5	2042	32,533,482	1,797,246	34,330,728
Trimble County CT 6	2042	31,710,616	1,736,793	33,447,409
Trimble County CT 7	2044	37,276,974	1,986,328	39,263,302
Trimble County CT 8	2044	35,691,602	1,892,159	37,583,761
Trimble County CT 9	2044	36,020,642	1,909,551	37,930,193
Trimble County CT 10	2044	44,966,697	2,364,152	47,330,849
Brown CT 5	2041	47,703,650	2,027,149	49,730,799
Brown CT 6	2039	40,330,579	1,996,075	42,326,654
Brown CT 7	2039	37,518,628	1,603,302	39,121,930
Paddy's Run Generator 13	2041	61,916,113	2,223,919	64,140,032
Pipelines to Gas Units	Various	29,555,830	1,396,685	30,952,515
Total Other Production Gas Units and Pipelines		<u>669,981,654</u>	<u>34,217,329</u>	<u>704,198,983</u>
Total All Fossil Fuel Units		<u>1,344,347,790</u>	<u>308,307,812</u>	<u>1,652,655,602</u>

2

3

4 **Q. Do you agree that the remaining net book value and future decommissioning**  
5 **costs should be recovered from customers over the proposed shorter**  
6 **remaining service lives in order to avoid “intergenerational inequities,” as**  
7 **argued by the Companies?**

8 **A. No. To the contrary, it is the Companies’ request to accelerate the recovery of the**  
9 **net book value and future decommissioning costs that will result in**

1 intergenerational inequities as both a conceptual matter and a practical matter.  
2 First, their requests are based on potentially shortened service lives even through  
3 there is no plan and no certainty that the generating units will be retired earlier  
4 than previously assumed or on the proposed new probable retirement dates.

5 Second, the decommissioning costs have not yet been incurred and will  
6 not be incurred until *after* the generating units actually are retired.

7 Third, the proposed earlier probable retirement dates are the result of the  
8 Companies' study, which concludes that replacement resources will result in  
9 savings over the service lives of the new resources. If the study assumptions,  
10 analyses, and results are correct, then the earlier retirements essentially will buy  
11 down the cost to customers of the new resources in the future compared to the  
12 continued operation of the existing coal-fired generating units. In that context,  
13 and at a very minimum, the accelerated portion of the cost should be borne by  
14 customers *after* the actual retirements of the coal-fired generating units as a  
15 simple matter of intergenerational equity.

16 Fourth, the Companies incur and presently recover the decommissioning  
17 costs and remaining net book value of the retired units *after* those units are  
18 retired. Historically, the Companies have done this by charging these costs to the  
19 accumulated depreciation reserves of the still operating units, effectively  
20 increasing the net book value of the still operating units and then increasing the  
21 future depreciation expense on those units to recover the remaining costs of the  
22 retired units. For example, the Companies recently incurred more than \$100  
23 million for the decommissioning of Green River, Pineville, Tyrone, Paddy's Run,

1 Cane Run, and Canal since 2017.<sup>11</sup> The decommissioning costs and the  
2 remaining net book value of these retired units were used to reduce the  
3 accumulated depreciation reserves and increase the net book value of the Ghent,  
4 Mill Creek, and Trimble County generating units.<sup>12</sup> Although this approach  
5 provides recovery of the decommissioning costs over the remaining lives of the  
6 still operating generating units, it increases the net book value and the  
7 depreciation rates and expense for those units.

8

9 **Q. Is there a penalty imposed on customers if the decommissioning costs are**  
10 **recovered before they actually are incurred?**

11 A. Yes. There is an unnecessary income tax penalty if the decommissioning costs are  
12 recovered prematurely before they are incurred. More specifically,  
13 decommissioning costs cannot be deducted for income tax purposes until they  
14 actually are incurred. If the Companies' revenues include decommissioning costs  
15 before they are incurred, then there is no equivalent tax deduction, which creates a  
16 negative deferred income tax expense and an asset ADIT. Asset ADIT amounts  
17 are added to rate base and increase capitalization, so not only do customers  
18 prematurely pay the decommissioning costs before they are incurred, the  
19 Companies also must finance and charge customers a grossed-up rate of return on  
20 the prepayment of the income taxes on the amounts recovered.

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<sup>11</sup> Responses to AG-KIUC 1-18 for KU and LG&E. I have attached copies of these responses as my Exhibit\_\_(LK-3).

<sup>12</sup> Responses to AG-KIUC 2-7(b) for KU and LG&E. I have attached copies of these responses as my Exhibit\_\_(LK-4).

1

2 **Q. Are there other issues that need to be addressed when generating units are**  
3 **retired?**

4 A. Yes. First, after the generating units are retired, there is a mismatch between the  
5 costs included in the base revenues collected from customers and the costs that  
6 actually are incurred.

7 After the generating units are retired, the Companies will realize  
8 significant savings that will not be timely realized through reductions in the base  
9 revenue requirement. They no longer will incur fuel expense or variable O&M  
10 expense. The cessation of fuel expense will be captured in the FAC, but not the  
11 savings from the cessation of variable O&M expense. They no longer will incur  
12 or will incur significantly less fixed O&M expense. They no longer will incur  
13 depreciation expense because they no longer will be able to record depreciation  
14 expense on plant that no longer is in service under GAAP and the USOA.<sup>13</sup>

15 Second, the Companies will write off any remaining tax basis as an  
16 abandonment loss in their income tax calculations, which creates additional  
17 liability ADIT and a reduction in financing costs, regardless of whether the return  
18 on component of the revenue requirement is determined using rate base or  
19 capitalization.

20 Third, the Companies no longer should incur property tax expense,  
21 although under their present accounting, there effectively are no reductions in this

---

<sup>13</sup> If the Commission directs the Companies to transfer the remaining net book value to a regulatory asset at retirement, it also could direct the Companies to continue recording amortization expense equivalent to the former depreciation expense.

1 expense. That is because the remaining net book value and actual  
2 decommissioning costs on the retired generating units are rolled into the net book  
3 value of the still operating generating units. If, instead, these costs were deferred  
4 to a regulatory asset for recovery, then the Companies would achieve savings in  
5 property tax expense because the retired plant costs no longer would be included  
6 in the assessed value and actual decommissioning costs would not be included in  
7 the assessed value.

8

9 **Q. What is your recommendation?**

10 A. I recommend that the Commission leave unchanged the depreciation rates that it  
11 approved in the Companies' last base rate case proceedings for Brown 3, Mill  
12 Creek 1, and Mill Creek 2 and that it adopt a properly designed Retirement Rider  
13 to ensure that the Companies recover their remaining net book value and  
14 decommissioning costs, but at the least cost to customers.

15

16 **Q. What are the effects of your recommendation?**

17 A. This will reduce KU's requested base rate increase by \$40.562 million and its  
18 ECR rate increase by \$1.734 million. It will reduce LG&E's requested electric  
19 base rate increase by \$43.510 million. These effects include the reduction in  
20 depreciation expense offset by the increase in the return on rate base due to the  
21 net effects on accumulated depreciation and ADIT. These effects on the revenue  
22 requirements are shown separately in the Rate Base Issues and Operating Income  
23 Issues sections of the table in the Summary section of my testimony.

1

2 **B. Retirement Rider Provides Significant Benefits to The Companies And**  
3 **Customers**  
4

5 **Q. Would a properly designed Retirement Rider allow the Commission to**  
6 **address all of the issues raised by the Companies and the AG and KIUC in a**  
7 **comprehensive and equitable manner?**

8 A. Yes. A properly designed Retirement Rider would allow all issues to be  
9 addressed in a comprehensive, equitable, and flexible manner regardless of when  
10 the Companies' coal-fired and gas-fired generating units actually are retired, the  
11 remaining net book value at the retirement date, the estimated or actual  
12 decommissioning costs that will be or are actually incurred, the savings that are  
13 achieved, and the timing and form of financing, including securitization  
14 financing.

15 In addition, a Retirement Rider would allow the Commission to  
16 intentionally and transparently set the pattern and timing of recovery so that the  
17 Companies recover their prudent and reasonable costs, no more and no less, and  
18 over a reasonable time period.

19 Further, a Retirement Rider would allow the Commission to levelize or  
20 annuitize the recovery of the remaining net book value and actual  
21 decommissioning costs when incurred in the same manner that a home mortgage  
22 loan is amortized and paid off. This reduces the revenue requirement in the  
23 earlier years and mitigates any contemporaneous overlap with the increases in the

1 revenue requirements due to new resource additions that are acquired to replace  
2 the retired generating units.

3

4 **Q. Are there patterns for such a properly designed Retirement Rider?**

5 A. Yes. The Kentucky Power Company Decommissioning Rider provides a starting  
6 template for a properly designed Retirement Rider in these and future  
7 proceedings. The KPCo Decommissioning Rider provides levelized or annuitized  
8 recovery of the remaining net book value of the Big Sandy 1 generating unit coal-  
9 related plant and the Big Sandy 2 generating unit over 25 years. The recovery is  
10 increased annually to include actual decommissioning costs. The KPCo  
11 Decommissioning Rider utilizes the utility's weighted average cost of capital for  
12 the return component of the levelized or annuitized revenue requirement. In  
13 addition, the KPCo Decommissioning Rider reflects the liability ADIT reduction  
14 to rate base in the calculation of the return component of the revenue requirement.  
15 Finally, the KPCo Decommissioning Rider equitably recovers costs through  
16 separate residential and non-residential charges. This is the same process and  
17 methodology as used in the Companies' ECRs.

18 The new Retirement Rider would consist of separate calculations for each  
19 retired generating unit that would be summed to determine the revenue  
20 requirement. This approach is similar to the Companies' ECRs, which consist of  
21 separate calculations for each approved environmental project that are summed to  
22 determine the ECR revenue requirement. This approach is necessary in the  
23 Retirement Rider because there will be different retirement dates, different

1 decommissioning costs and patterns, and savings calculations unique to each  
2 generating unit.

3 The Retirement Rider also would calculate the non-fuel post-retirement  
4 savings. These savings will be deferred, and then amortized on a levelized or  
5 annuitized basis and used to reduce the levelized recovery of the remaining net  
6 book value and actual decommissioning costs over the same amortization period.  
7 The Companies' ECRs provide a template for the methodology to calculate the  
8 savings from the date generating units are retired until the Companies' base rates  
9 are reset and the costs of the retired generating units are excluded from the base  
10 revenue requirement.

11 The Companies' ECRs use a "base-current" methodology to calculate the  
12 savings or incremental costs for unique environmental projects approved by the  
13 Commission. The Retirement Rider would use a similar base-current  
14 methodology, but would calculate the savings or incremental costs for each  
15 generating unit instead of an ECR project. The savings will be calculated as the  
16 difference between the costs included in the base revenue requirement (the "base"  
17 component) and the costs incurred in each subsequent post-retirement 12-month  
18 period (the "current" period) for each retired generating unit.

19

20 **Q. Why should the Commission adopt a Retirement Rider in these proceedings**  
21 **rather than waiting until the next base rate case proceedings?**

22 A. The Companies' plan to retire Mill Creek 1 in 2024 and Brown 3 and Mill Creek  
23 2 in 2028. The Companies also plan to "avoid base rate cases for the foreseeable

1 future.”<sup>14</sup> As the Companies retire these generating units, they no longer will  
2 incur depreciation expense or other non-fuel operating expenses. Yet, they will  
3 continue to recover these costs in their base revenues, as well as excessive  
4 amounts for the return on rate base in the test year in this proceeding even as rate  
5 base and the return on revenue requirements decline due to additional  
6 depreciation until the generating units are retired. The only practical way in  
7 which the Commission can capture these savings is through a Retirement Rider  
8 that is in place at the time the generating units are retired.

9 Consider further the Companies’ request in this proceeding to increase the  
10 depreciation rates and expense for these three generating units in this proceeding.  
11 If approved, and without any mechanism to capture the savings, such as the  
12 Retirement Rider, the rate base and the return requirement for these generating  
13 units will decline more rapidly than under the present depreciation rates and the  
14 depreciation expenses that are included in the base revenues will continue at the  
15 significantly increased levels even after the generating units are retired. This will  
16 harm customers even more than leaving the depreciation rates on these three  
17 generating units unchanged in these proceedings.

18 In addition, the Retirement Rider will allow the Commission to timely  
19 commence the levelized recovery of the remaining net book value and actual  
20 decommissioning costs contemporaneous with the retirements of the generating  
21 units.

---

<sup>14</sup> Direct Testimony of Kent Blake at 4.

1           Finally, to the extent the Companies incur additional decommissioning  
2 costs for generating units that already have been retired after the effective date  
3 when base rates are reset in this proceeding, they would be able to commence  
4 recovery of those costs through the Retirement Rider rather than charging them  
5 against the depreciation reserves of the still operating generating units, as they  
6 presently do.

7

8 **C. Securitization of Remaining Net Book Value And Decommissioning Costs**  
9 **Mitigates Customer Impacts of Accelerated Retirements And Provides**  
10 **Companies Accelerated And Full Recovery of Remaining Costs**  
11

12 **Q. Describe securitization financing.**

13 A. Securitization financing is a low-cost form of financing that allows the utility to  
14 sell the right to recover the costs of certain assets, such as the costs of retired  
15 generating units, to a special purpose entity (“SPE”) and use the proceeds from  
16 the sales to payoff the existing equity and debt used to finance those assets and  
17 thereby eliminate the related costs. The SPE issues highly rated and low-cost debt  
18 to finance the assets acquired from the utility. The utility then collects the SPE’s  
19 costs, typically on a levelized basis through a special dedicated tariff, as well as  
20 its own administrative costs incurred pursuant to an agreement with the SPE, and  
21 then remits the amounts collected to the SPE. The securitization financing  
22 generally is non-recourse to the utility and generally is ignored by equity and debt  
23 analysts and credit rating agencies when evaluating the utility’s securities and  
24 issuing credit ratings.

1           Securitization has become a widely used financing mechanism for  
2 recovering the remaining net book and decommissioning costs of prematurely  
3 retired coal plants. The literature on this is plentiful. I have attached two  
4 representative reports: Moody's, July 18, 2018, Utility Cost Recovery Through  
5 Securitization Is Credit Positive; Fitch Ratings, November 30, 2017 U.S  
6 Utility/Stranded Cost Bonds Rating Criteria.<sup>15</sup>  
7

8 **Q. Describe how securitization financing mitigates the costs to customers of**  
9 **remaining net book value and decommissioning costs due to accelerated**  
10 **retirements of coal-fired generating units.**

11 A. It mitigates the costs to customers through lower cost financing, and to the extent  
12 not already reflected in the ratemaking process, a levelized recovery of these  
13 costs. This is accomplished through the sale of the utility's remaining costs to the  
14 SPE and the elimination of the utilities' costs in exchange for a new owner and  
15 the recovery of its substantially lower financing costs.

16           I have developed the following quantification of the nominal dollar  
17 savings through securitization financing using the estimated costs for the coal-  
18 fired generating units at the end of 2035, the requested grossed-up cost of capital  
19 for KU in this proceeding, a 3.0% cost of securitization financing, a 15-year  
20 recovery period, and levelized ratemaking recovery for both forms of financing.  
21 The savings from 2036 through 2050 are shown on the following table.

---

<sup>15</sup> I have attached a copy of each report as my Exhibit\_\_\_(LK-31).

**12/31/2035 Remaining NBV and Decommissioning Costs  
Levelized Annual Revenue Requirement vs Securitization Over 15 Years  
Revenue Requirement Reduction Due to Securitization at 3.00%  
Based on Recovery of \$3.873 Billion**

Year of Recovery	Levelized Annual Revenue Requirement 9.02% Grossed-Up WACC	Levelized Annual Revenue Requirement With Securitization at 3.0% Debt Rate	Revenue Requirement Savings Due to Securitization
2036	\$411,773,409	\$304,489,658	\$107,283,751
2037	\$411,773,409	\$304,489,658	\$107,283,751
2038	\$411,773,409	\$304,489,658	\$107,283,751
2039	\$411,773,409	\$304,489,658	\$107,283,751
2040	\$411,773,409	\$304,489,658	\$107,283,751
2041	\$411,773,409	\$304,489,658	\$107,283,751
2042	\$411,773,409	\$304,489,658	\$107,283,751
2043	\$411,773,409	\$304,489,658	\$107,283,751
2044	\$411,773,409	\$304,489,658	\$107,283,751
2045	\$411,773,409	\$304,489,658	\$107,283,751
2046	\$411,773,409	\$304,489,658	\$107,283,751
2047	\$411,773,409	\$304,489,658	\$107,283,751
2048	\$411,773,409	\$304,489,658	\$107,283,751
2049	\$411,773,409	\$304,489,658	\$107,283,751
2050	\$411,773,409	\$304,489,658	\$107,283,751
Total	<u>\$6,176,601,136</u>	<u>\$4,567,344,876</u>	<u>\$1,609,256,260</u>

1

2

3 **Q. Does securitization financing harm the Companies?**

4 A. No. To the contrary, securitization financing is beneficial to the Companies. It  
5 will provide an immediate and total payoff to the Companies of all remaining net  
6 book value and decommissioning costs. The Companies will receive cash from  
7 the SPEs when they close on the sale of the rights to recover from customers. The  
8 Companies then will use that cash to reduce their costs by reducing existing

1 common equity and long-term debt financing or by acquiring new assets, such as  
2 new generating resources, storage, and transmission. The Companies no longer  
3 will incur the financing costs related to the retired assets or the amortization or  
4 depreciation expense. The Companies will become mere collection agents for the  
5 SPEs pursuant to a collection agreement. The SPEs will incur lower financing  
6 costs on the assets acquired from the Companies and those savings will be  
7 reflected in the rates charged to customers.

8

9 **Q. Will the Retirement Rider facilitate securitization financing?**

10 A. Yes. Each tranche of SPE securitization financing will require the Companies to  
11 implement a separate and dedicated charge that the Companies will collect and  
12 then remit to the SPEs. The Retirement Rider can be used for that purpose.

13

14 **Q. Does securitization financing typically require state legislation?**

15 A. Yes. This ensures the highest ratings and the lowest costs for securitization  
16 financing.<sup>16</sup>

17

18 **Q. Will securitization financing provide benefits to the Commonwealth, the**  
19 **Companies, and customers?**

20

---

<sup>16</sup> I have drafted a summary of the purpose and scope of securitization financing, a description of how it works, the benefits, and the substance of such legislation and attached it as my Exhibit\_\_(LK-5).

1 A. Yes. Securitization financing truly would be a win-win-win for all stakeholders.  
2 It will reduce the impact to residential and small and large business customers and  
3 it will allow the Companies immediate and full recovery of all remaining costs  
4 and actual decommissioning costs incurred.

5

6 **Q. Would the AG and KIUC be willing to support a ratemaking incentive to the**  
7 **Companies if they support securitization legislation at the legislature and for**  
8 **ratemaking purposes?**

9 A. Yes. The savings to customers are so significant that the AG and KIUC would be  
10 willing to support a ratemaking incentive whereby the Companies would share  
11 some percentage of the savings. The Companies no longer will incur any  
12 financing or amortization/depreciation costs related to the retired generating units,  
13 so this sharing truly will be an incentive and will be in addition to their authorized  
14 returns reflected in base and ECR revenues.

15

16

### III. RATE BASE AND CAPITALIZATION ISSUES

17

18 **A. Rate Base Is Superior to Capitalization to Calculate The Return On**  
19 **Component of The Base Revenue Requirement**

20

21 **Q. Describe the Companies' request to use capitalization to calculate the return**  
22 **on component of the base revenue requirement.**

23 A. KU calculated the return on component of its claimed base revenue requirement

1 using capitalization of \$5,235.750 million (jurisdictional).<sup>17</sup> KU calculated rate  
2 base at \$5,197.832 million, although it did not use the rate base amount except to  
3 allocate capitalization to jurisdiction.

4 LG&E calculated the return on component of its claimed electric base  
5 revenue requirement using capitalization of \$3,467.272 million and its claimed  
6 gas base revenue requirement using capitalization of \$1,061.806 million. LG&E  
7 calculated electric rate base at \$3,460.078 million and gas rate base at \$1,052.350  
8 million, although it did not use the rate base amounts except to allocate  
9 capitalization between electric and gas.

10

11 **Q. Has the Commission previously approved the use of rate base to calculate the**  
12 **return on component of the base revenue requirement for other utilities?**

13 A. Yes. The Commission now uses rate base to calculate the return on component of  
14 the base revenue requirement for all large investor-owned utilities subject to its  
15 ratemaking jurisdiction, except for KU and LG&E. Most recently, the  
16 Commission approved the change to rate base from capitalization for Kentucky  
17 Power Company, despite its opposition.<sup>18</sup> In its Order, the Commission stated:

18 Based upon a review of the case record and being otherwise sufficiently  
19 advised, the Commission finds that applying the capitalization method to  
20 calculate Kentucky Power's revenue requirement is not reasonable  
21 because this method measures the capital allocations to Kentucky Power  
22 from its parent company, in excess of that needed to finance Kentucky  
23 Power's direct investment rate base as determined herein. In the converse,  
24 the rate base method measures the direct investment into Kentucky  
25 Power's system, and, under the facts presented here, is a more accurate

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<sup>17</sup> Section V Schedule 1 at line 18.

<sup>18</sup> Order in Case No. 2020-00174 at 5.

1 method of measuring the financial health of Kentucky Power and its  
2 operations. For these reasons, the Commission finds that rate base  
3 methodology should be used to determine revenue requirement for this  
4 proceeding. (footnote omitted).<sup>19</sup>  
5

6 Prior to adopting this change for Kentucky Power Company, the  
7 Commission approved the change to rate base at Duke Energy Kentucky's request  
8 for its gas and electric operations in Case Nos. 2018-00261 and 2019-00271,  
9 respectively. In addition to now using rate base for KPCo and Duke Energy  
10 Kentucky, the Commission historically has used rate base for Atmos, Columbia,  
11 KAW, and other investor-owned utilities.  
12

13 **Q. What reasons did Duke Energy Kentucky provide in support of its requests**  
14 **to change to rate base from capitalization for its gas and electric operations?**

15 A. In the Duke Energy Kentucky gas rate case, Duke Energy Kentucky witness Sara  
16 E. Lawler, Director Rates & Regulatory Planning of Duke Energy Business  
17 Services LLC, stated in Direct Testimony that the "Company believes that using  
18 gas rate base to calculate the revenue requirement is the simplest and most  
19 transparent method."<sup>20</sup>

20 In the Duke Energy Kentucky electric rate case, two other Duke Energy  
21 Kentucky witnesses provided testimony that the use of rate base was superior to  
22 the use of capitalization. More specifically, Amy B. Spiller, the CEO of Duke  
23 Energy Kentucky, stated in her direct testimony that "Historically, the Company's

---

<sup>19</sup> *Id.*

<sup>20</sup> Direct Testimony of Sarah E. Lawler at 5 in Case No. 2018-00261.

1 electric base rates have been determined with reference to a return on capitalization.  
2 Although this methodology may have been appropriate in the past, another  
3 methodology is more common today. Specifically, and as evident in other Duke  
4 Energy Kentucky jurisdictions, a return-on-rate base approach provides a transparent  
5 and effective way to establish base rates. The Commission recently approved the  
6 return-on-rate base approach for the Company's natural gas base rates in Case No.  
7 2018-00261.”<sup>21</sup> In addition, William Don Wathen, Jr., Director of Rates and  
8 Regulatory Strategy for Ohio and Kentucky, stated in his direct testimony that the  
9 “use of rate base is a more precise method for measuring the Company’s actual  
10 investment in facilities and equipment to provide utility service” and that “the rate  
11 base methodology is an easier and more conventional way to represent investment in  
12 utility plant that is not only accepted by this Commission, but throughout the  
13 country.”<sup>22</sup>

14

15 **Q. Why is the use of rate base superior to capitalization to calculate the return**  
16 **on component of the base revenue requirement?**

17 A. The use of rate base is more precise and accurate than capitalization to calculate  
18 the return on component of the base revenue requirement. It allows the  
19 Commission to specifically review, assess, and quantify each of the costs that will  
20 earn a return, including those costs that are subtracted from rate base, such as

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<sup>21</sup> Direct Testimony of Amy B. Spiller at 25-26 in Case No. 2019-00271.

<sup>22</sup> Direct Testimony of William Don Wathen, Jr. at 11-12 in Case No. 2019-00271.

1 accumulated deferred income taxes (“ADIT”) and negative cash working capital  
2 (“CWC”), to the extent that CWC is calculated using the lead/lag approach.

3 The use of rate base also avoids the need to reconcile capitalization to rate  
4 base as a reasonableness test when using capitalization for the return on  
5 component of the revenue requirement. The rate base approach simply assumes  
6 that capitalization is equal to rate base.<sup>23</sup> This assumption also is reflected in rider  
7 filings that use the rate base approach, such as the Companies’ ECR filings. Yet,  
8 in the Companies’ base rate case filings, the rate base and capitalization never are  
9 equal, regardless of whether there was or is a historic test year or a forecast test  
10 year.

11 In a forecast test year, the capitalization and rate base amounts are  
12 different for several reasons: 1) equity and debt financings are seldom issued to  
13 precisely match the timing of rate base investment, 2) capitalization reflects  
14 financing for amounts that are not allowed or included in rate base because they  
15 are not allowed a rate of return, they are subject to recovery through a rider that  
16 has a true-up mechanism, the costs are volatile from month to month, or there is  
17 vendor financing, among others reasons, 3) capitalization does not reflect  
18 financing for amounts that the utility seeks to include in rate base, either because  
19 the amount included in rate base is a non-cash amount that was not financed or  
20 the financing costs are embedded into an expense amount, such as pension and  
21 OPEB expense, 4) the forecasts of the rate base amounts and capitalization

---

<sup>23</sup> Capitalization is used only to calculate the capital structure and the weighted cost of capital, which, in turn, is applied to rate base.

1 amounts use different methodologies, and 5) other reasons.

2 In addition, the change to rate base for the base revenue requirement will  
3 ensure consistent treatment for all calculations of the Companies' revenue  
4 requirements, both the base revenue requirements and the rider revenue  
5 requirements, and, in particular, the ECR, which already are calculated using rate  
6 base, not capitalization.

7

8 **Q. Have the Companies provided reconciliations between capitalization and rate**  
9 **base for the test year?**

10 A. Yes. The Companies provided reconciliations in their Minimum Filing  
11 Requirements ("MFR")<sup>24</sup> and provided additional detail for certain line items in  
12 response to AG and KIUC discovery.

13

14 **Q. What do these reconciliations demonstrate?**

15 A. They demonstrate that the use of rate base is a more precise and accurate  
16 approach. The use of capitalization is less precise and less accurate because it is  
17 essentially a "residual" approach based on total assets less total liabilities other  
18 than capitalization, albeit with certain limited ratemaking adjustments. Of course,  
19 not all assets and liabilities are cash costs nor are all assets and liabilities provided  
20 a return (positive if an asset or negative if a liability) through the ratemaking  
21 process. This is demonstrated on each Company's reconciliation where there are

---

<sup>24</sup> MFR Tab 13 – 807 KAR 5:001 Section 16(6)(f) Reconciliation of Capitalization and Rate Base. I have attached a copy of the Companies' reconciliations as my Exhibit\_\_(LK-6).

1 many assets and many liabilities from the Company's balance sheet accounts that  
2 are not included in its calculation of rate base.

3

4 **Q. What is your recommendation?**

5 A. I recommend that the Commission calculate the return on component of the base  
6 revenue requirement using rate base rather than capitalization for the reasons cited  
7 by the Commission in the Duke Energy Kentucky and Kentucky Power Company  
8 Orders and cited by Duke Energy Kentucky's witnesses in its most recent gas and  
9 electric base rate case proceedings.

10 In addition, I recommend that the Commission make a series of  
11 corrections to the Company's calculation of rate base to establish the parameters  
12 for this and future base rate proceedings. The Commission has not previously  
13 closely reviewed the Company's calculations of rate base because they were not  
14 used directly to calculate the return on component of the base revenue  
15 requirement.

16

17 **Q. What are the effects of your recommendations to use rate base in lieu of**  
18 **capitalization, without the effects of any corrections or other changes to the**  
19 **Companies' calculations of rate base?**

20 A. This will reduce KU's requested base rate increase by \$3.420 million and  
21 LG&E's requested base rate increases by \$0.645 million (electric) and \$0.848  
22 million (gas).

23

1 **B. Corrections to Companies' Calculations of Rate Base**  
2

3 **Q. What corrections to the Companies' calculations of rate base are necessary?**

4 A. There are at least five corrections that are necessary, which I summarize here, but  
5 subsequently explain in more detail. First, cash working capital should be  
6 corrected to exclude all non-cash expenses, and, in particular, should exclude all  
7 amortization expense and depreciation expense. However, to the extent the  
8 Commission allows non-cash expenses, then amortization expense should be  
9 included in the CWC calculations only if the underlying regulatory assets are  
10 included in rate base or the regulatory liabilities are subtracted from rate base.  
11 This is necessary as a matter of consistency.

12 Further, to the extent the Commission allows non-cash expenses, then the  
13 depreciation expense lead days should be modified from 0 days to 27.92 days to  
14 reflect the fact that the Companies already earn a return on the current month's  
15 depreciation expense through the rate base calculation.

16 Second, all pension and OPEB related assets and liabilities should be  
17 excluded. The Companies did not finance the four balance sheet amounts, except  
18 to the extent already specifically reflected in the calculations of pension and  
19 OPEB costs through the returns on the trust fund assets and the interest expense  
20 on the obligations in accordance with GAAP requirements. A portion of the  
21 pension and OPEB costs is included in expense and a portion is capitalized to  
22 CWIP and plant in service. To that extent, the Companies' actual financing costs  
23 already are reflected in pension and OPEB expense or in rate base. There are no

1 additional financing costs to recover. The Commission should exclude all  
2 pension and OPEB related assets and liabilities from rate base consistent with its  
3 recent decision to do so in Case No. 2020-00174.

4 Third, the amounts in account 184 *Clearing Accounts* should be set to \$0  
5 or simply excluded from the rate base calculation.

6 Fourth, the amounts in account 186 *Miscellaneous Deferred Debits* for the  
7 Cane Run 7 and Brown 6 and 7 long term service agreements (“LTSA”) with  
8 Siemens and GE International should be reduced to correct forecast errors  
9 acknowledged by the Companies in response to discovery and to reflect the 95%  
10 of these payments that will be capitalized to CWIP/plant as the vendors provide  
11 the contractual services.

12 Fifth, if CWIP is included in rate base, then it should be offset by the  
13 related accounts payables to reflect vendor financing. However, this is not an  
14 issue if the Commission rejects the CWIP in rate base approach and adopts the  
15 AFUDC approach, as the AG and KIUC recommend in this proceeding.

16

17 **1. Overview of Cash Working Capital**  
18

19 **Q. Provide an overview of the Companies’ calculation of cash working capital.**

20 A. The Companies’ calculation of cash working capital consists primarily of two  
21 components. The first component (“Cash Working Capital (Lead/Lag)”) is based  
22 on a lead/lag approach that calculates the net investor supplied funds (positive) or  
23 customer supplied funds (negative) based on the average daily revenues and

1 expenses using lead days and lag days. The Companies included cash expenses  
2 and non-cash expenses in the calculation of this component. KU included  
3 \$56.184 million in rate base for this first component, of which \$50.915 million is  
4 for non-cash amortization and depreciation expense, and LG&E included \$30.576  
5 million (electric), of which \$36.424 million is for amortization and depreciation  
6 expense, and \$1.844 million (gas), of which \$5.916 million is for amortization  
7 and depreciation expense.<sup>25</sup> The following tables summarize the Companies'  
8 calculation of the first component.

---

<sup>25</sup> The LG&E electric and gas Cash Working Capital (Lead/Lag) amounts would be negative if the non-cash amortization and depreciation expense are excluded.

KENTUCKY UTILITIES COMPANY							
CASE NO. 2020-00349							
CASH WORKING CAPITAL COMPONENTS							
FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022							
SCHEDULE B-5.2							
LINE NO.	DESCRIPTION	Forecast Period Jurisdictional	Average Daily Amount	Revenue Lag Days	Expense (Lead)/Lag Days	Net (Lead)/Lag Days	Working Capital (Provided)/ Required
O&M Expenses:							
1	Fuel: Coal	\$ 266,450,281	\$ 728,006	45.50	(27.28)	18.22	\$ 13,263,060
2	Fuel: Gas	\$ 108,361,062	\$ 296,068	45.50	(39.32)	6.18	\$ 1,829,210
3	Fuel: Oil	\$ 1,512,728	\$ 4,133	45.50	(17.32)	28.18	\$ 116,465
4	Other Non-Fuel Commodities	\$ 17,758,111	\$ 48,519	45.50	(27.76)	17.74	\$ 860,654
5	Purchased Power	\$ 48,707,778	\$ 133,081	45.50	(23.66)	21.83	\$ 2,905,694
6	Payroll Expense	\$ 42,864,290	\$ 117,116	45.50	(13.01)	32.49	\$ 3,804,790
7	Pension Expense	\$ 641,078	\$ 1,752	45.50	-	45.50	\$ 79,694
8	OPEB Expense	\$ 705,783	\$ 1,928	45.50	-	45.50	\$ 87,738
9	Team Incentive Award Compensation	\$ 3,396,936	\$ 9,281	45.50	(244.79)	(199.29)	\$ (1,849,675)
10	401k Match Expense	\$ 1,671,318	\$ 4,566	45.50	(22.56)	22.94	\$ 104,755
11	Retirement Income Account Expense	\$ 1,264,279	\$ 3,454	45.50	(283.50)	(238.00)	\$ (822,132)
12	Uncollectible Expense	\$ 4,646,049	\$ 12,694	45.50	(131.70)	(86.20)	\$ (1,094,244)
13	Major Storm Damage Expense	\$ 2,838,970	\$ 7,757	45.50	(41.74)	3.76	\$ 29,140
14	Charges from Affiliates	\$ 197,885,842	\$ 540,672	45.50	(25.39)	20.11	\$ 10,873,062
15	Other O&M	\$ 174,348,103	\$ 476,361	45.50	(48.05)	(2.55)	\$ (1,214,461)
16	Total O&M Expenses	\$ 873,052,607	\$ -				\$ 28,973,748
17	Depreciation and Amortization Expense						
18	Depreciation and Amortization	\$ 389,129,204	\$ 1,063,195	45.50	-	45.50	\$ 48,373,580
19	Regulatory Debts	\$ 14,409,914	\$ 39,371	45.50	-	45.50	\$ 1,791,331
20	Amortization of KY Regulatory Assets	\$ 901,323	\$ 2,463	45.50	-	45.50	\$ 112,046
21	Amortization of KY Regulatory Liabilities	\$ 5,129,794	\$ 14,016	45.50	-	45.50	\$ 637,697
22	Total Depreciation and Amortization Expense	\$ 409,570,235					\$ 50,914,653
23	Income Tax Expense:						
24	Current: Federal	\$ 38,458,992	\$ 105,079	45.50	(37.50)	8.00	\$ 840,459
25	Current: State	\$ 3,955,095	\$ 10,806	45.50	(37.50)	8.00	\$ 86,432
26	Deferred: Federal and State (Including ITC)	\$ (20,256,929)	\$ (55,347)	45.50	-	45.50	\$ (2,518,187)
27	Total Income Tax Expense	\$ 22,157,158					\$ (1,591,296)
28	Taxes Other Than Income						
29	Property Tax Expense	\$ 36,502,877	\$ 99,735	45.50	(157.57)	(112.07)	\$ (11,177,177)
30	Payroll Tax Expense	\$ 10,315,123	\$ 28,183	45.50	(35.64)	9.86	\$ 277,960
31	Other Taxes	\$ 3,334,056	\$ 9,109	45.50	152.00	197.50	\$ 1,799,142
32	Total Taxes Other Than Income	\$ 50,152,056					\$ (9,100,075)
33	AFUDC	\$ (172,632)	\$ (471.67)	45.50	(45.50)	-	\$ -
34	(Gain)/Loss on Disposition of Property	\$ -	\$ -	45.50	(45.50)	-	\$ -
35	(Gain)/Loss on Disposition of Allowances	\$ -	\$ -	45.50	(45.50)	-	\$ -
36	Charitable Donations	\$ -	\$ -	45.50	(45.50)	-	\$ -
37	Interest on Customer Deposits	\$ -	\$ -	-	-	-	\$ -
38	Other (Income)/Expense	\$ -	\$ -	45.50	(45.50)	-	\$ -
39	Other Interest Expense/(Income)	\$ -	\$ -	45.50	(45.50)	-	\$ -
40	Interest Expense	\$ 109,813,060	\$ 300,036	45.50	(88.65)	(43.15)	\$ (12,947,040)
41	Income Available for Common Equity	\$ 179,410,572	\$ 490,193	45.50	(45.50)	-	\$ -
42	Total	\$ 1,643,983,057	\$ 789,757				\$ 56,249,989
43	Sales Taxes	\$ 35,721,289	\$ 97,599	45.50	(39.80)	5.69	\$ 555,780
44	School Taxes	\$ 40,622,084	\$ 110,989	45.50	(34.95)	10.55	\$ 1,170,844
45	Franchise Fees	\$ 30,285,530	\$ 82,747	45.50	(67.16)	(21.66)	\$ (1,792,314)
46	Cash Working Capital (Lead/Lag)						\$ 56,184,299

LOUISVILLE GAS AND ELECTRIC COMPANY CASE NO. 2020-00350 - ELECTRIC OPERATIONS CASH WORKING CAPITAL COMPONENTS FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022							
SCHEDULE B-5.2							
LINE NO.	DESCRIPTION	Forecast Period Jurisdictional	Average Daily Amount	Revenue Lag Days	Expense (Lead)/Lag Days	Net (Lead)/Lag Days	Working Capital (Provided)/Required
	O&M Expenses:						
1	Fuel: Coal	\$ 233,176,864	\$ 637,095	44.27	(24.36)	19.91	\$ 12,683,505
2	Fuel: Gas	\$ 45,753,991	\$ 125,011	44.27	(38.99)	5.28	\$ 659,849
3	Fuel: Oil	\$ -	\$ -	44.27	(8.40)	35.87	\$ -
4	Other Non-Fuel Commodities	\$ 11,064,873	\$ 30,232	44.27	(26.87)	17.40	\$ 525,985
5	Purchased Power	\$ 44,518,297	\$ 121,635	44.27	(28.37)	15.90	\$ 1,933,931
6	Payroll Expense	\$ 32,757,466	\$ 89,501	44.27	(12.00)	32.27	\$ 2,888,178
7	Pension Expense	\$ 1,238,894	\$ 3,385	44.27	-	44.27	\$ 149,846
8	OPEB Expense	\$ 1,332,742	\$ 3,641	44.27	-	44.27	\$ 161,197
9	Team Incentive Award Compensation	\$ 2,874,497	\$ 7,854	44.27	(245.22)	(200.95)	\$ (1,578,238)
10	401k Match Expense	\$ 1,304,798	\$ 3,565	44.27	(22.99)	21.28	\$ 75,866
11	Retirement Income Account Expense	\$ 1,009,342	\$ 2,758	44.27	(283.50)	(239.23)	\$ (659,745)
12	Uncollectible Expense	\$ 2,225,668	\$ 6,081	44.27	(174.20)	(129.93)	\$ (790,093)
13	Major Storm Damage Expense	\$ 4,475,409	\$ 12,228	44.27	(35.32)	8.95	\$ 109,422
14	Charges from Affiliates	\$ 111,653,046	\$ 305,063	44.27	(25.40)	18.87	\$ 5,757,035
15	Other O&M	\$ 140,128,109	\$ 382,864	44.27	(49.19)	(4.92)	\$ (1,885,278)
16	Total O&M Expenses	\$ 633,513,998					\$ 20,031,461
17	Depreciation and Amortization Expense						
18	Depreciation and Amortization	\$ 294,804,037	\$ 805,476	44.27	-	44.27	\$ 35,657,058
19	Regulatory Debits	\$ 2,759,745	\$ 7,540	44.27	-	44.27	\$ 333,796
20	Amortization of Regulatory Assets	\$ 3,581,314	\$ 9,785	44.27	-	44.27	\$ 433,166
21	Amortization of Regulatory Liabilities	\$ -	\$ -	44.27	-	44.27	\$ -
22	Total Depreciation and Amortization Expense	\$ 301,145,095					\$ 36,424,020
23	Income Tax Expense:						
24	Current: Federal	\$ 22,005,422	\$ 60,124	44.27	(37.50)	6.77	\$ 406,940
25	Current: State	\$ 1,122,301	\$ 3,066	44.27	(37.50)	6.77	\$ 20,754
26	Deferred: Federal and State (Including ITC)	\$ (29,707,765)	\$ (81,169)	44.27	-	44.27	\$ (3,593,206)
27	Total Income Tax Expense	\$ (6,580,041)					\$ (3,165,511)
28	Taxes Other Than Income						
29	Property Tax Expense	\$ 33,134,951	\$ 90,533	44.27	(216.26)	(171.99)	\$ (15,571,107)
30	Payroll Tax Expense	\$ 7,443,995	\$ 20,339	44.27	(35.48)	8.79	\$ 178,839
31	Other Taxes	\$ 2,370,192	\$ 6,476	44.27	148.70	192.97	\$ 1,249,665
32	Total Taxes Other Than Income	\$ 42,949,138					\$ (14,142,603)
33	AFUDC	\$ -	\$ -	44.27	(44.27)	-	\$ -
34	(Gain)/Loss on Disposition of Property	\$ -	\$ -	44.27	(44.27)	-	\$ -
35	(Gain)/Loss on Disposition of Allowances	\$ -	\$ -	44.27	(44.27)	-	\$ -
36	Charitable Donations	\$ -	\$ -	44.27	(44.27)	-	\$ -
37	Interest on Customer Deposits	\$ -	\$ -	-	-	-	\$ -
38	Other (Income)/Expense	\$ -	\$ -	44.27	(44.27)	-	\$ -
39	Other Interest Expense/(Income)	\$ -	\$ -	44.27	(44.27)	-	\$ -
40	Interest Expense	\$ 74,996,098	\$ 204,907	44.27	(87.50)	(43.23)	\$ (8,858,487)
41	Income Available for Common Equity	\$ 105,795,855	\$ 289,060	44.27	(44.27)	-	\$ -
42	Total	\$ 1,151,820,144	\$ 493,967				\$ 30,288,880
43	Sales Taxes	\$ 25,636,726	\$ 70,046	44.27	(39.83)	4.44	\$ 310,849
44	School Taxes	\$ 2,823,471	\$ 7,714	44.27	(35.05)	9.21	\$ 71,088
45	Franchise Fees	\$ 618,407	\$ 1,690	44.27	(100.24)	(55.97)	\$ (94,565)
46	Cash Working Capital (Lead/Lag)						\$ 30,576,251

LOUISVILLE GAS AND ELECTRIC COMPANY							
CASE NO. 2020-00350 - GAS OPERATIONS							
CASH WORKING CAPITAL COMPONENTS							
FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022							
SCHEDULE B-5.2							
LINE NO.	DESCRIPTION	Forecast Period Jurisdictional	Average Daily Amount	Revenue Lag Days	Expense (Lead)/Lag Days	Net (Lead)/Lag Days	Working Capital (Provided)/Required
O&M Expenses:							
1	Purchased Gas	\$ 116,757,091	\$ 319,008	44.26	(39.66)	4.60	\$ 1,467,025
2	No-Notice Storage Injections and Withdrawals	\$ (1,962,369)	\$ (5,362)	44.26	-	44.26	\$ (237,298)
3	Payroll Expense	\$ 19,198,555	\$ 52,455	44.26	(12.00)	32.26	\$ 1,692,184
4	Pension Expense	\$ 571,443	\$ 1,561	44.26	-	44.26	\$ 69,101
5	OPEB Expense	\$ 604,140	\$ 1,651	44.26	-	44.26	\$ 73,055
6	Team Incentive Award Compensation	\$ 1,764,870	\$ 4,822	44.26	(245.22)	(200.96)	\$ (969,047)
7	401k Match Expense	\$ 602,025	\$ 1,645	44.26	(22.99)	21.27	\$ 34,988
8	Retirement Income Account Expense	\$ 464,234	\$ 1,268	44.26	(283.50)	(239.24)	\$ (303,454)
9	Uncollectible Expense	\$ 666,954	\$ 1,822	44.26	(256.34)	(212.08)	\$ (386,475)
10	Major Storm Damage Expense	\$ -	\$ -	44.26	(35.32)	8.94	\$ -
11	Charges from Affiliates	\$ 33,325,597	\$ 91,054	44.26	(25.40)	18.86	\$ 1,717,418
12	Other O&M	\$ 53,952,006	\$ 147,410	44.26	(49.19)	(4.93)	\$ (727,342)
13	Total O&M Expenses	\$ 225,944,546					\$ 2,430,154
Depreciation and Amortization Expense							
14	Depreciation and Amortization	\$ 48,871,895	\$ 133,530	44.26	-	44.26	\$ 5,909,805
16	Regulatory Debits	\$ -	\$ -	44.26	-	44.26	\$ -
17	Amortization of Regulatory Assets	\$ 47,457	\$ 130	44.26	-	44.26	\$ 5,739
18	Amortization of Regulatory Liabilities	\$ -	\$ -	44.26	-	44.26	\$ -
19	Total Depreciation and Amortization Expense	\$ 48,919,352					\$ 5,915,544
Income Tax Expense:							
21	Current: Federal	\$ 5,936,428	\$ 16,220	44.26	(37.50)	6.76	\$ 109,618
22	Current: State	\$ 485,421	\$ 1,326	44.26	(37.50)	6.76	\$ 8,963
23	Deferred: Federal and State (Including ITC)	\$ 2,289,486	\$ 6,255	44.26	-	44.26	\$ 276,855
24	Total Income Tax Expense	\$ 8,711,335					\$ 395,437
Taxes Other Than Income							
25	Property Tax Expense	\$ 11,351,139	\$ 31,014	44.26	(216.26)	(172.00)	\$ (5,334,551)
27	Payroll Tax Expense	\$ 2,950,414	\$ 8,061	44.26	(35.48)	8.78	\$ 70,802
28	Other Taxes	\$ 673,944	\$ 1,841	44.26	148.70	192.96	\$ 355,313
29	Total Taxes Other Than Income	\$ 14,975,497					\$ (4,908,436)
30	AFUDC	\$ -	\$ -	44.26	(44.26)	-	\$ -
31	(Gain)/Loss on Disposition of Property	\$ -	\$ -	44.26	(44.26)	-	\$ -
32	(Gain)/Loss on Disposition of Allowances	\$ -	\$ -	44.26	(44.26)	-	\$ -
33	Charitable Donations	\$ -	\$ -	44.26	(44.26)	-	\$ -
34	Interest on Customer Deposits	\$ -	\$ -	-	-	-	\$ -
35	Other (Income)/Expense	\$ -	\$ -	44.26	(44.26)	-	\$ -
36	Other Interest Expense/(Income)	\$ -	\$ -	44.26	(44.26)	-	\$ -
37	Interest Expense	\$ 17,591,677	\$ 48,065	44.26	(87.50)	(43.24)	\$ (2,078,397)
38	Income Available for Common Equity	\$ 40,685,970	\$ 111,164	44.26	(44.26)	-	\$ -
39	Total	\$ 356,828,378	\$ 159,229				\$ 1,754,302
40	Sales Taxes	\$ 6,013,553	\$ 16,430	44.26	(39.83)	4.43	\$ 72,751
41	School Taxes	\$ 662,296	\$ 1,810	44.26	(35.05)	9.20	\$ 16,657
42	Franchise Fees	\$ -	\$ -	44.26	(100.24)	(55.98)	\$ -
43	Cash Working Capital (Lead/Lag)						\$ 1,843,709

1                   The second component (“Balance Sheet Items”) is based on a balance  
2 sheet approach that calculates the net amount of certain asset accounts and certain  
3 liability accounts. The following tables summarize the Companies’ second  
4 component.

KENTUCKY UTILITIES COMPANY CASE NO. 2020-00349 CASH WORKING CAPITAL COMPONENTS FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022					
SCHEDULE B-5.2					
LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL USES OF CASH WORKING CAPITAL:					
1	128	PREPAID PENSION	42,744,320	94.097%	40,221,203
2	182	REGULATORY ASSET - FAS 158 PENSION	122,120,655	94.097%	114,912,102
3	183	PRELIMINARY SURVEY	2,091,582	93.632%	1,958,398
4	184	PENSION CLEARING	5,869,765	94.097%	5,523,284
5	186	MISC DEFERRED DEBITS	16,924,719	94.097%	15,925,685
6	188	RESRCH/DEV/DEMO EXP	<u>59,077</u>	94.097%	<u>55,590</u>
7		TOTAL USES OF CASH WORKING CAPITAL	<u>189,810,117</u>		<u>178,596,261</u>
ADDITIONAL SOURCES OF CASH WORKING CAPITAL:					
8	228.2	MISC LONG TERM LIABILITIES	(3,316,596)	94.097%	(3,120,823)
9	228.3	ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	(20,389,160)	94.097%	(19,185,626)
10	242	MISC LIABILITY	(18,460,843)	94.097%	(17,371,135)
11	253	OTHER DEFERRED CREDITS	(2,123,965)	93.632%	(1,988,720)
12	254	REGULATORY LIABILITY - POSTRETIREMENT	(34,246,475)	94.097%	(32,224,970)
13	143/232	NET ACCRUED RETENTION/CWIP	(30,424,107)	93.632%	(28,486,824)
14	143/232	NET ACCRUED RWIP	<u>(2,636,467)</u>	93.632%	<u>(2,468,588)</u>
15		TOTAL SOURCES OF CASH WORKING CAPITAL	<u>(111,597,613)</u>		<u>(104,846,685)</u>
16		TOTAL USES / (SOURCES) OF CASH WORKING CAPITAL (LINE 7 + 15)	<u>78,212,504</u>		<u>73,749,576</u>

5

LOUISVILLE GAS AND ELECTRIC COMPANY					
CASE NO. 2020-00350 - ELECTRIC OPERATIONS					
CASH WORKING CAPITAL COMPONENTS					
FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022					
SCHEDULE B-5.2					
LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL USES OF CASH WORKING CAPITAL:					
1	128	PREPAID PENSION	42,037,496	100.000%	42,037,496
2	182	REGULATORY ASSET - FAS 158 PENSION	120,380,205	100.000%	120,380,205
3	183	PRELIMINARY SURVEY	1,161,338	100.000%	1,161,338
4	184	CLEARING ACCTS - PENSION	6,281,273	100.000%	6,281,273
5	186	MISC DEFERRED DEBITS	6,351,081	100.000%	6,351,081
6	188	RESRCH/DEV/DEMO EXP	<u>34,726</u>	100.000%	<u>34,726</u>
7		TOTAL USES OF CASH WORKING CAPITAL	<u>176,246,118</u>		<u>176,246,118</u>
LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL SOURCES OF CASH WORKING CAPITAL:					
8	228.2	MISC LONG TERM LIABILITIES	(2,245,089)	100.000%	(2,245,089)
9	228.3	ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	(51,598,159)	100.000%	(51,598,159)
10	242	MISC LIABILITY	(13,610,016)	100.000%	(13,610,016)
11	253	OTHER DEFERRED CREDITS	(391,806)	100.000%	(391,806)
12	143/232	NET ACCRUED RETENTION/CWIP	(17,937,921)	80.000%	(14,350,337)
13	143/232	NET ACCRUED RWIP	<u>(718,398)</u>	80.000%	<u>(574,719)</u>
14		TOTAL SOURCES OF CASH WORKING CAPITAL	<u>(86,501,390)</u>		<u>(82,770,126)</u>
15		TOTAL USES / (SOURCES) OF CASH WORKING CAPITAL (LINE 7 + 14)	<u>89,744,728</u>		<u>93,475,992</u>

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2

LOUISVILLE GAS AND ELECTRIC COMPANY					
CASE NO. 2020-00350 - GAS OPERATIONS					
CASH WORKING CAPITAL COMPONENTS					
FORECAST PERIOD FOR THE 12 MONTHS ENDED JUNE 30, 2022					
SCHEDULE B-5.2					
LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL USES OF CASH WORKING CAPITAL:					
1	128	PREPAID PENSION	4,618,516	100.000%	4,618,516
2	182	REGULATORY ASSET - FAS 158 PENSION	41,893,813	100.000%	41,893,813
3	183	PRELIMINARY SURVEY	725,510	100.000%	725,511
4	184	CLEARING ACCTS - PENSION	1,972,184	100.000%	1,972,184
5	186	MISC DEFERRED DEBITS	66,800	100.000%	66,800
6	188	RESRCH/DEV/DEMO EXP	-	100.000%	-
7		TOTAL USES OF CASH WORKING CAPITAL	<u>49,276,824</u>		<u>49,276,824</u>
LINE NO.	ACCT. NO.	DESCRIPTION	13 MONTH AVERAGE	JURIS. PERCENT	JURISDICTIONAL AMOUNT
ADDITIONAL SOURCES OF CASH WORKING CAPITAL:					
8	228.2	MISC LONG TERM LIABILITIES	(593,851)	100.000%	(593,851)
9	228.3	ACCUMULATED PROVISION FOR POST RETIREMENT BENEFITS	(13,025,665)	100.000%	(13,025,665)
10	242	MISC LIABILITY	(3,860,792)	100.000%	(3,860,792)
11	253	OTHER DEFERRED CREDITS	(411,081)	100.000%	(411,081)
12	143/232	NET ACCRUED RETENTION/CWIP	(17,937,921)	20.000%	(3,587,584)
13	143/232	NET ACCRUED RWIP	<u>(718,398)</u>	20.000%	<u>(143,680)</u>
14		TOTAL SOURCES OF CASH WORKING CAPITAL	<u>(36,547,707)</u>		<u>(21,622,652)</u>
15		TOTAL USES / (SOURCES) OF CASH WORKING CAPITAL (LINE 7 + 14)	<u>12,729,117</u>		<u>27,654,173</u>

1

2

3

4

## 2. Amortization Expense and Depreciation Expense

5 Q.

Should the Commission include amortization expense in the calculation of the first component of cash working capital if the underlying regulatory assets and liabilities are not included in rate base?

8 A.

No. Fundamentally, if the regulatory assets and liabilities are not included in rate base, then the amortization expense is not entitled to a return either based on the

9

1 lag in the receipt of revenues compared to the Companies' assumed lag of 0 days  
2 for the amortization expense in the lead/lag calculation. This is particularly true if  
3 the regulatory asset has not been financed, but rather, is simply a placeholder for  
4 the Companies' right to recover future costs, such as the so-called SFAS 109  
5 regulatory assets.

6 In addition, there inherently is no cash working capital requirement for the  
7 non-cash amortization expense. The correct lag days for the amortization expense  
8 are infinity days, not the Companies' assumed 0 days. The lag days for  
9 amortization expense cannot be 0 days because the expenses never are paid in  
10 cash.<sup>26</sup> The Companies' use of 0 days incorrectly assumes that the amortization  
11 expense actually is paid in cash on the first second of the month in which it is  
12 recorded. Of course, the Companies never disburse cash for the expenses, let  
13 alone instantaneously. And, of course, amortization expense is not recorded in  
14 the accounting process for the month until the end of the month. It is not recorded  
15 on the first day of the month.

16

17 **Q. Is it also true that the lag days for depreciation expense cannot be 0 days for**  
18 **the same reasons that the lag days for amortization expense cannot be 0**  
19 **days?**

20 **A.** Yes. Similar to the amortization expense, the depreciation expense never is paid  
21 in cash; thus, the lag days are infinity days, not 0 days.

---

<sup>26</sup> The Companies' proposed 0 lag days assumes that the amortization expense is incurred in cash the moment it is recorded, which, of course, cannot be correct because it is never paid, let alone instantaneously.

1

2 **Q. Even if the Commission concludes that the non-cash amortization expense**  
3 **and depreciation expense should be included in the first component of the**  
4 **cash working capital, is there another concern with the use of 0 lag days for**  
5 **the depreciation expense?**

6 A. Yes. The Company already includes the current month's depreciation expense in  
7 rate base through the use of the 13-month average of net plant (gross plant less  
8 accumulated depreciation) for the test year. This results in an overlap and double  
9 recovery of the return on the depreciation expense between the net plant included  
10 in rate base and the depreciation expense included in the cash working capital  
11 lead/lag calculations included in rate base. This is simply a mathematical error  
12 that needs to be corrected to exclude the overlap and the excessive rate base and  
13 return on that amount included in the revenue requirement.

14 The 13-month average for each component of rate base,<sup>27</sup> including  
15 accumulated depreciation, consists of twelve months of beginning balances, for  
16 the months of July 2021 through June 2022, and one month of ending balances,  
17 specifically for June 2022 only. As a result of the 13-month average  
18 methodology, the Companies are allowed a full month return on the current  
19 month depreciation expense because it is not added to accumulated depreciation  
20 and used to reduce rate base until the end of the current month, with the sole

---

<sup>27</sup> Except for the first component of the cash working capital.

1 exception of the last month in the test year, which essentially negates this  
2 differential for that month only.

3 The use of 0 lag days for depreciation expense in the lead/lag calculation  
4 of the first component of cash working capital assumes that it is paid in cash at the  
5 beginning of each month when incurred, so that it is allowed a return for the  
6 entirety of the current month in that calculation plus the additional days between  
7 the revenue lag days and the 0 days depreciation expense lag days assumed in the  
8 Companies' calculations. Consequently, for 11 months of the test year, the  
9 Companies include the depreciation expense in rate base twice, once through the  
10 use of the beginning balances of accumulated depreciation for each of those  
11 months and then a second time through the cash working capital calculations.

12

13 **Q. What is the remedy for this double counting of depreciation expense in rate**  
14 **base?**

15 A. The remedy is to correct the number of depreciation expense lag days to reflect  
16 the 11 months, or 335 days in the test year, of double counting, and 30 days in  
17 which it was not double counted (June 2022).

18 The Companies double counted the return on depreciation expense for  
19 27.92 days on average during the test year. There are 30.42 days each month on  
20 average in a calendar year. It was not double counted for 2.50 days each month  
21 on average in the test year (30 days divided by 12 months).

22

23 **Q. What are your recommendations?**

1 A. I recommend that the Commission exclude amortization expense from the first  
2 component of the cash working capital on the bases that 1) this is a non-cash  
3 expense and that the expense lag days are infinity days, not 0 days, and 2) the  
4 Companies are not entitled to a return on the amortization expense if the  
5 underlying regulatory assets and liabilities are not included in rate base.

6 I recommend that the Commission exclude depreciation expense from the  
7 first component of the cash working capital on the basis that this is a non-cash  
8 expense and that the expense lag days are infinity days, not 0 days.

9 If, however, the Commission allows depreciation expense in the  
10 calculation of the first component of cash working capital, then I recommend that  
11 it correct the depreciation expense lag days to 27.92 days to correct the double  
12 counting of the depreciation expense included in rate base both through the net  
13 plant and cash working capital amounts.

14

15 **Q. What are the effects of your recommendations?**

16 A. The effects of my primary recommendation to exclude amortization and  
17 depreciation from the calculation of cash working capital are a reduction in the  
18 KU revenue requirement of \$4.592 million and a reduction in the LG&E revenue  
19 requirements of \$3.267 million (electric) and \$0.531 million (gas). I have  
20 reflected the effects of this recommendation on the table in the Summary section  
21 of my testimony.

22 The effects of my alternative adjustment to correct the depreciation  
23 expense lag days to 27.92 days are a reduction in the KU revenue requirement of

1           \$2.677 million and a reduction in the LG&E revenue requirement of \$2.017  
2 million (electric) and \$0.334 million (gas).

3

4           **3. Non-Cash Pension and OPEB Related Assets and Liabilities**

5

6   **Q. Describe the pension and OPEB related assets and liabilities included in the**  
7   **Companies' second component of cash working capital.**

8   A. The Companies included two pension related assets and two OPEB related  
9 liabilities in the second component of cash working capital as shown on the table  
10 in the preceding section summarizing the second component of the Companies'  
11 requested cash working capital.

12           The pension related assets include account 128 *Prepaid Pension* and  
13 account 182 *Regulatory Asset – FAS 158 Pension*. KU included \$40.221 million  
14 in account 128 and \$114.912 million in account 182. LG&E included \$42.037  
15 million electric and \$4.619 million gas in account 128 and \$120.380 million  
16 electric and \$41.894 million gas in account 182.

17           The OPEB related liabilities include account 228.3 *Accumulated Provision*  
18 *for Post Retirement Benefits* and account 254 *Regulatory Liability –*  
19 *Postretirement*. KU included \$19.186 million in account 228.3 and \$32.225  
20 million in account 254. LG&E included \$51.598 million electric and \$13.026  
21 million gas in account 228.3 and \$0 electric and \$0 gas in account 254.

22

23   **Q. Describe the amounts included in account 128 *Prepaid Pension*.**

1 A. These amounts represent the net excess of the pension trust fund assets at fair  
2 value over the pension benefit obligation.<sup>28</sup> In the case of KU and LG&E, the  
3 pension trust funds are overfunded compared to the present value of the pension  
4 liabilities.

5

6 **Q. How does the pension trust fund become overfunded?**

7 A. The pension trust fund is funded and becomes overfunded through the cumulative  
8 realized gains in trust fund assets, earnings on trust fund investments, and  
9 contributions made by the Companies. The pension obligation component of the  
10 calculation also affects the net funded status. The pension obligation is reduced  
11 each year by payments to participants and increased or reduced depending on  
12 actuarial assumptions regarding future payments to participants and the discount  
13 rate used to calculate the net present value of the future obligation.

14

15 **Q. Are the amounts included by the Companies in account 128 *Prepaid Pension***  
16 **the same as the amounts included by KPCo in account 165 *Prepayments and***  
17 **addressed in Case No. 2020-00174?**

18 A. No. They are very different amounts and should not be considered equivalent.  
19 The amounts included by the Companies in account 128 are required by GAAP  
20 and the USOA and represent the fair value of the pension trust fund assets in  
21 excess of the pension benefit obligation. KPCo also recorded an amount in

---

<sup>28</sup> Response to AG-KIUC 1-54(b). I have attached a copy of all parts of the response from KU (narrative and selected pages only) as my Exhibit\_\_\_(LK-7). I have not attached a copy of the response from LG&E in the interest of limiting the pages in the exhibit.

1 account 128 pursuant to GAAP and the USOA, although it did not seek to include  
2 it in rate base or to calculate a return on this amount to increase pension expense.  
3 KU and LG&E did not and do not record amounts in account 165.

4 In contrast to the amounts included by the Companies in account 128, the  
5 pension and OPEB positive amounts included by KPCo in account 165  
6 subaccounts were not required by GAAP or the USOA and were offset by equal  
7 and offsetting negative amounts in other account 165 subaccounts, which KPCo  
8 simply ignored in its rate base calculation.

9

10 **Q. Is it reasonable to include the pension trust fund assets in excess of the**  
11 **pension obligation in rate base?**

12 A. No. First, there is no evidence that the excess trust fund assets were solely, or in  
13 any respect, the result of excessive contributions by the Companies. The excess  
14 trust fund assets could be the result of realized gains in the trust fund assets,  
15 earnings on the trust fund assets, and changes in the pension obligation. In fact,  
16 these other factors may very well have reduced the minimum contributions  
17 required by the Companies under the ERISA minimum funding requirements.  
18 Second, to the extent that the excess trust fund assets were the result of realized  
19 gains and earnings, then the Companies' ratepayers are entitled to the reductions  
20 in pension costs resulting from those sources; the Companies are not somehow  
21 entitled to those gains and earnings. Third, the trust fund assets earn a return  
22 within the formula used to calculate pension costs in the test year. The

1 Companies assumed a 7.0% rate of return for this purpose in their calculations of  
2 pension cost and expense.<sup>29</sup>

3 To the extent the Commission determines that the Companies are entitled  
4 to a return on the excess trust fund assets, then it should be limited to the savings  
5 reflected in the calculation of the pension costs in the test year, not assumed to  
6 earn a higher grossed-up return on rate base, and then should be further limited to  
7 the expense component of the savings reflected in the pension cost.

8

9 **Q. Describe the amounts included in account 182 *Regulatory Asset – FAS 158***  
10 ***Pension.***

11 A. These amounts represent the accumulated unamortized prior service costs and net  
12 actuarial losses of the plan.<sup>30</sup>

13

14 **Q. Is it reasonable to include the accumulated unamortized prior service costs of**  
15 **the pension plan in rate base?**

16 A. No. The accumulated unamortized prior service costs represent the pension  
17 obligation amounts that have not yet been amortized to pension cost. This amount  
18 is best viewed as a subset of the pension obligation that has not yet been  
19 amortized to pension cost. The interest on the entirety of the pension obligation is  
20 included in the calculation of pension cost. The amortization of the prior service  
21 costs also is included in the calculation of pension cost. However, there is no

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<sup>29</sup> Response to AG-KIUC 1-54. Refer to Exhibit\_\_(LK-7).

<sup>30</sup> Response to AG-KIUC 1-54(d). Refer to Exhibit\_\_(LK-7).

1 return on prior service costs included in the calculation of pension costs. That is  
2 because this asset does not reduce the pension obligation or the interest on the  
3 entirety of the pension obligation included in the calculation of the pension cost.

4

5 **Q. Do the Companies agree that the unamortized prior service cost is a subset**  
6 **or component of the pension obligation and that the interest on this**  
7 **obligation already is included in the calculation of pension cost?**

8 A. Yes. The Companies acknowledge that “unamortized prior service cost is a  
9 component of the entire pension liability” and that “the calculation of the pension  
10 cost *does include* interest on the unamortized prior service cost” (emphasis  
11 added).<sup>31</sup> In other words, the Companies acknowledge that including this  
12 component of account 182 *Regulatory Asset – FAS 158 Pension* in rate base  
13 double counts the return in the revenue requirement.

14

15 **Q. Is it reasonable to include the net actuarial losses of the pension plan in rate**  
16 **base?**

17 A. No. There is no return on net actuarial losses of the plan included in the  
18 calculation of pension cost. The only return included in the calculation of pension  
19 cost is the return on the fair value of trust fund assets.

20

---

<sup>31</sup> Responses to AG-KIUC 2-14. I have attached copies of these responses as my Exhibit\_\_\_\_(LK-8).

1 **Q. Do the Companies also acknowledge this fact?**

2 A. Yes. Thus, it is unnecessary and inappropriate to include this component of  
3 account 182 *Regulatory Asset – FAS 158 Pension* in rate base because no  
4 financing cost is incurred and no return is included in the calculation of pension  
5 cost.

6

7 **Q. Describe the amounts included in account 228.3 *Accumulated Provision for***  
8 ***Post Retirement Benefits.***

9 A. These amounts represent the net excess of the OPEB obligation over the OPEB  
10 trust fund assets at fair value.<sup>32</sup> In the case of KU and LG&E, the OPEB trust  
11 funds are underfunded compared to the present value of the OPEB liabilities.

12

13 **Q. Is it reasonable to subtract the OPEB underfunding from rate base?**

14 A. No. In fact, this highlights the absurdity of the Companies' position with respect  
15 to including the pension overfunding in rate base. In the case of the OPEB  
16 underfunding, the interest on the entire OPEB obligation is included in the  
17 calculation of the OPEB cost. The Companies' include interest at an actuarial  
18 interest rate of 3.32% in the calculation of the OPEB cost, but then subtract the  
19 underfunding from rate base so that customers are provided a grossed-up rate of  
20 return of 8.97%. The only thing reasonable about this is that it partially mitigates  
21 the Companies' proposal to include the pension overfunding in rate base. In fact,

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<sup>32</sup> Response to AG-KIUC 1-54(g). Refer to Exhibit\_\_(LK-7).

1           neither proposal is reasonable, although the Companies at least were consistent.  
2           Nevertheless, if the Commission includes the amounts in account 128 *Prepaid*  
3           *Pension* in rate base, then it also should subtract the amounts in account 228.3  
4           *Accumulated Provision for Post Retirement Benefits* from rate base, again, as a  
5           matter of consistency.

6

7   **Q.   Describe the amounts included in account 254 *Regulatory Liability –***  
8       ***Postretirement.***

9   A.   These amounts represent the accumulated unamortized prior service costs and net  
10       actuarial gains of the OPEB plan.<sup>33</sup> These amounts are similar in concept to the  
11       accumulated unamortized prior service costs and net actuarial losses of the  
12       pension plan that I previously described.

13

14   **Q.   Is it reasonable to subtract the accumulated unamortized prior service costs**  
15       **and net actuarial gains of the OPEB plan from rate base?**

16   A.   No. It is not reasonable to subtract the unamortized prior service costs and net  
17       actuarial gains of the OPEB plan from rate base for the same reasons that it is not  
18       reasonable to add the asset amounts related to the pension plan to rate base.

19

20   **Q.   What is your recommendation?**

---

<sup>33</sup> KU's response to AG-KIUC 1-54(i). Refer to Exhibit\_\_(LK-7).

1 A. I recommend that the Commission reject the Companies' proposals to include the  
2 amounts in accounts 128 *Prepaid Pension* and 182 *Regulatory Asset – FAS 158*  
3 *Pension* in rate base and subtract the amounts in accounts 228.3 *Accumulated*  
4 *Provision for Post Retirement Benefits* and 254 *Regulatory Liability –*  
5 *Postretirement* from rate base for the reasons that I previously described.

6

7 **Q. What are the effects of your recommendations?**

8 A. The effects of the removals, net of ADIT, are a reduction in the KU revenue  
9 requirement of \$7.021 million and a reduction in the LG&E revenue requirement  
10 of \$7.460 million (electric) and \$2.254 million (gas).

11

12 **Q. Is your recommendation to exclude all pension and OPEB assets and**  
13 **liabilities consistent with the Commission's decision in KPCo Case No. 2020-**  
14 **00174?**

15 A. Yes, at least with respect to the result. However, KPCo sought to include a  
16 "prepayment" in account 165 in rate base without the offsetting negative amount  
17 also recorded in account 165. As I noted in my testimony in Case No. 2020-  
18 00174, the KPCo accounting is unique to the AEP operating utilities and is not  
19 required by GAAP or the USOA.

20 The KU and LG&E rate base calculations do not include any amounts  
21 from account 165 because there are no such costs on their accounting books. The  
22 KU and LG&E requests are different than KPCo's request because they explicitly  
23 reflect the net funding status and regulatory assets for certain pension costs and

1 regulatory liabilities (KU only) for certain OPEB costs. The KPCo request did  
2 not include the net funding status or any regulatory assets or liabilities.

3

4 **Q. Is your recommendation consistent with the Duke Energy Kentucky requests**  
5 **in Case Nos. 2018-00261 and 2019-00271?**

6 A. Yes. Duke Energy Kentucky did not include any pension or OPEB assets or  
7 liabilities in rate base even though it proposed the use of rate base in lieu of  
8 capitalization in those proceedings.

9

10

#### 4. Clearing Accounts

11

12 **Q. Describe the amounts in account 184 *Clearing Accounts*.**

13 A. KU included \$5.523 million and LG&E included \$6.281 million (electric) and  
14 \$1.972 million (gas) in the second component of cash working capital included in  
15 rate base.

16

17 **Q. What are clearing accounts?**

18 A. Clearing accounts are used to accumulate costs for certain activities, such as  
19 vehicle costs, which then are charged out to expense or capital based on various  
20 allocation or usage factors, such as square footage for building costs or daily  
21 usage for vehicle costs. The objective with clearing accounts is to charge out  
22 each month an amount equivalent to the costs incurred and recorded in the  
23 clearing account so that the balance is \$0 on average over time, recognizing that

1 in any single month the amounts incurred and the amounts charged out may not  
2 precisely match.

3 The FERC Uniform System of Accounts (“USOA”) defines account 184  
4 *Clearing Accounts* as follows.

5 This [account] shall include undistributed balances in clearing accounts at  
6 the date of the balance sheet. Balances in clearing account shall be  
7 substantially cleared not later than the end of the calendar year unless  
8 items held therein relate to a future period.  
9

10 **Q. What is the basis for the Companies’ forecast of the account 184 amounts in**  
11 **the test year?**

12 A. The Companies simply used the actual amounts as of August 31, 2020 and held  
13 the amounts constant through the end of the test year.<sup>34</sup>  
14

15 **Q. Is that a reasonable basis for the forecast of the account 184 amounts in the**  
16 **test year?**

17 A. No. Clearing accounts should be assumed to be \$0 in the test year, consistent  
18 with the manner in which such accounts are used and consistent with the  
19 expectation that the accounts will be cleared to \$0 on average over time.  
20

21 **Q. What is your recommendation?**

---

<sup>34</sup> Schedule B-5.2 for each Company at pages 2 and 5 in electronic format showing the sum of the monthly balances for account 184 during the base year and test year. The electronic versions of the schedules were provided in response to Staff 1-56 for each Company.

1 A. I recommend that the Commission either set the clearing accounts to \$0 or simply  
2 exclude them from rate base. The clearing accounts should be \$0 over time,  
3 especially in a forecast test year. There is no justification for non-\$0 amounts in  
4 the test year.

5

6 **Q. What are the effects of your recommendation?**

7 A. The effects are a reduction in the KU revenue requirement of \$0.498 million and a  
8 reduction in the LG&E revenue requirement of \$0.563 million (electric) and  
9 \$0.177 million (gas).

10

#### 11 **5. Corrections to Account 186 for Long Term Service Agreements**

12

13 **Q. Describe the amounts in accounts 186074 (Cane Run 7 LTSC Asset) and**  
14 **186075 (Brown 6 and 7 LTSA Asset) that the Companies included in their**  
15 **rate base calculations.**

16 A. The amounts in account 186074 include actual or forecast payments that will be  
17 made prior to the year or during the test year to Siemens for major and routine  
18 maintenance at Cane Run 7 before the work actually is performed. The contract  
19 with Siemens specifies a schedule of payments, consisting of fixed payments and  
20 variable payments. These payments are deferred in account 186074. When  
21 Siemens actually performs work on Cane Run 7, then the deferred amounts are  
22 reduced by the cost of this work. Then the amounts are transferred and recorded  
23 either in CWIP or as a major maintenance outage expense and deferred in account

1 182.3 as a regulatory asset. The Companies capitalize 95% of the costs of the  
2 Siemens work to CWIP and 5% to the regulatory asset based on an engineering  
3 study. The deferral of the expense amounts in the test year assumes that the  
4 Commission will affirm this ratemaking approach for major generation outage  
5 expense adopted due to a settlement in Case Nos. 2018-00294 and 2018-0295,  
6 although the AG and KIUC oppose such deferrals after base rates are reset in  
7 these proceedings, as I address in a subsequent section of my testimony.<sup>35</sup>

8 The amounts in account 186075 are similar, but they are for payments to  
9 GE International for major and routine maintenance at Brown 6 and 7 before the  
10 work is actually performed. The contract with GE International specifies a  
11 schedule of payments, consisting of fixed payments and variable payments.  
12 These payments are deferred in account 186075. The accounting for account  
13 186075 is the same as I described for account 186074.<sup>36</sup>

14  
15 **Q. Did the Companies identify errors in their forecasts of the amounts in**  
16 **account 186074 in response to AG and KIUC discovery?**

17 **A.** Yes. The Companies corrected their forecasts downward in response to AG and  
18 KIUC discovery.

19

---

<sup>35</sup> KU response to AG-KIUC 2-28 (a) through (f). LG&E response to AG-KIUC 2-22 (a) through (f). I have attached a copy of the narrative portion and select attachment pages of KU's response to AG-KIUC 2-28 and LG&E's response to AG-KIUC 2-22 as my Exhibit\_\_(LK-9).

<sup>36</sup> KU response to AG-KIUC 2-28 (g) through (l). Refer to Exhibit\_\_(LK-9).

1 **Q. Have you reflected these corrections on the table in the Summary section of**  
2 **your testimony?**

3 A. Yes. The effects are reductions in the KU revenue requirement of \$0.249 million  
4 and in the LG&E electric revenue requirement of \$0.085 million.

5

6 **Q. Do you have additional concerns with including the corrected amounts in**  
7 **rate base?**

8 A. Yes. The Companies have determined that 95% of the corrected amounts will be  
9 transferred to CWIP when Siemens or GE International completes the work  
10 during major outages. In essence, 95% of the amounts the Companies record in  
11 account 186074 and 186075 are or should be treated as CWIP, not miscellaneous  
12 deferred debits for ratemaking purposes. If the costs were treated as CWIP, then  
13 they would be allowed to earn an AFUDC rate of return, not a current rate of  
14 return, consistent with the AG and KIUC recommendation to exclude CWIP from  
15 rate base and instead use the AFUDC approach.

16

17 **Q. What is your recommendation?**

18 A. I recommend that the Commission remove 95% of the corrected forecast amounts  
19 in accounts 186074 and 186075 from rate base and direct the Companies to record  
20 such costs in CWIP and apply AFUDC in the same manner that other CWIP  
21 carries AFUDC.

22

23 **Q. What are the effects of your recommendation?**

1 A. The effects are reductions in the KU revenue requirement of \$1.128 million and in  
2 the LG&E electric revenue requirement of \$0.458 million.

3

4 **6. Offset to CWIP for Vendor Financing (Accounts Payable)**

5

6 **Q. Did the Companies offset the CWIP included in rate base for the related**  
7 **accounts payable to reflect the vendor financing?**

8 A. No. As the Companies acquire and incur the costs for construction materials and  
9 supplies, contractor services, and other costs, they record costs to the CWIP asset  
10 and the offsetting liabilities to the vendors in accounts payable. The Companies  
11 actually maintain separate CWIP payables accounts in their accounting systems to  
12 track this zero-cost vendor financing. When the payable actually is paid, then it is  
13 eliminated. This cycle constantly repeats itself.

14 The Companies included the CWIP assets in rate base, but failed to offset  
15 those assets with the amounts that its vendors financed, which they record in  
16 accounts payable. The Companies' investors did not finance the entirety of these  
17 assets. The Companies' vendors financed a portion of these assets. The vendor  
18 financing is a separate source of financing that is cost-free. However, the  
19 Companies' approach simply, and incorrectly, assumes that its investors financed  
20 the portion of the CWIP assets that actually were financed by their vendors.

21

22 **Q. Have you quantified the accounts payable amounts related to CWIP that**  
23 **should be subtracted from rate base?**

1 A. Yes. The KU accounts payable (vendor financing) offset to CWIP is \$19.070  
2 million.<sup>37</sup> The LG&E accounts payable offset to CWIP is \$9.645 million electric  
3 and \$7.178 million gas.<sup>38</sup>

4

5 **Q. What are the effects of your recommendation?**

6 A. The effects are reductions in the KU revenue requirement of \$1.720 million and in  
7 the LG&E revenue requirements of \$0.865 million electric and \$0.644 million  
8 gas.

9

10 **C. Rate Base/Capitalization Should Be Reduced To Remove Construction Work**  
11 **In Progress; Construction Financing Costs Should Be Capitalized To CWIP**  
12 **In The Form Of AFUDC**

13

14 **Q. Describe the Companies' requests for current recovery of construction**  
15 **financing costs.**

16 A. The Companies seek current recovery of construction financing costs instead of  
17 capitalizing these costs in CWIP and then recovering the costs over the service  
18 lives of the assets. This CWIP approach provides the Companies recovery of the  
19 construction financing costs before the project is completed and placed in service.

20 The Commission historically has allowed the Companies to include these

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<sup>37</sup> KU response to AG-KIUC 2-10. I have attached a copy of the response from KU as my Exhibit\_\_(LK-10). Amounts from this response were compared to total CWIP balances in the trial balance to determine the percentage reduction for the CWIP included by KU in rate base.

<sup>38</sup> LG&E response to AG-KIUC 2-10. I have attached a copy of the response from LG&E as my Exhibit\_\_(LK-11). Amounts from this response were compared to total CWIP balances in the trial balance to determine the percentage reduction for the CWIP included by LG&E in rate base.

1 construction financing costs in the revenue requirement without removing the  
2 CWIP from capitalization or including AFUDC as an increase to operating  
3 income.

4

5 **Q. Describe the AFUDC approach for capitalizing financing costs incurred**  
6 **during construction.**

7 A. Under the AFUDC approach, the financing costs incurred during construction are  
8 capitalized and added to the cost of the plant. The financing costs are computed at  
9 the Company's embedded weighted cost of capital in accordance with the  
10 requirements of the Federal Energy Regulatory Commission ("FERC")  
11 methodology, unless the methodology is modified for retail ratemaking purposes.  
12 The FERC methodology requires that the Company's short-term debt first be  
13 assigned to the financing costs for construction and then requires the use of the  
14 weighted average cost of long-term debt, preferred equity, and common equity for  
15 the residual amount of financing costs.

16

17 **Q. Will the Companies fully recover their construction financing costs under the**  
18 **AFUDC approach?**

19 A. Yes. The AFUDC approach provides the Companies dollar for dollar recovery of  
20 their actual construction financing costs, no more and no less. In fact, the  
21 Companies recognize the legitimacy and usefulness of the AFUDC approach as  
22 one element of their proposed ratemaking for the AMI costs. If the Commission  
23 approves the Companies' requests for CPCNs and their use of the AFUDC

1 approach, then it makes sense to broaden the use of the AFUDC approach to all  
2 construction costs rather than maintain a hybrid form of ratemaking and  
3 accounting.

4

5 **Q. Is the AFUDC approach consistent with generally accepted accounting**  
6 **principles?**

7 A. Yes. GAAP generally requires that construction financing costs be capitalized  
8 into the cost of an asset because such costs are no different in concept than the  
9 cost of labor and materials used to construct an asset and because the cost has  
10 future economic value. Statement of Financial Accounting Standards No. 34,  
11 *Capitalization of Interest Cost*, states the following:

12

13 39. The Board concluded that interest cost is a part of the cost of  
14 acquiring an asset if a period of time is required in which to carry out the  
15 activities necessary to get it ready for its intended use. In reaching this  
16 conclusion, the Board considered that the point in time at which an asset is  
17 ready for its intended use is critical in determining its acquisition cost.  
18 Assets are expected to provide future economic benefits, and the notion of  
19 expected future economic benefits implies fitness for a particular purpose.  
20 Although assets may be capable of being applied to a variety of possible  
21 uses, the use intended by the enterprise in deciding to acquire an asset has  
22 an important bearing on the nature and value of the economic benefits that  
23 it will yield.

24

25 40. Some assets are ready for their intended use when purchased.  
26 Others are constructed or otherwise developed for a particular use by a  
27 series of activities whereby diverse resources are combined to form a new  
28 asset or a less valuable resource is transformed into a more valuable  
29 resource. Activities take time for their accomplishment. During the  
30 period of time required, the expenditures for the materials, labor, and other  
31 resources used in creating the asset must be financed. Financing has a  
32 cost. The cost may take the form of explicit interest on borrowed funds, or  
33 it may take the form of a return foregone on an alternative use of funds,  
34 but regardless of the form it takes, a financing cost is necessarily incurred.

1                    *On the premise that the historical cost of acquiring an asset should*  
2                    *include all costs necessarily incurred to bring it to the condition and*  
3                    *location necessary for its intended use, the Board concluded that, in*  
4                    *principle, the cost incurred in financing expenditures for an asset during a*  
5                    *required construction or development period is itself a part of the asset's*  
6                    *historical acquisition cost. (emphasis added).*  
7

8    **Q.    How does the CWIP approach differ from the GAAP requirement to**  
9                    **capitalize carrying costs in the plant costs and then depreciate the plant costs**  
10                    **over the useful service life of the asset?**

11    A.    The CWIP approach provides accelerated recovery to the utility of the  
12                    construction financing cost subset of total construction costs during the  
13                    construction period rather than over the service lives of the assets. The CWIP  
14                    approach is unique to regulated utilities and is available to utilities only if they are  
15                    allowed to prematurely recover construction financing costs during the  
16                    construction period. On long lead time construction projects, the CWIP approach  
17                    may allow a utility to recover 30% or 40% of the total construction costs during  
18                    the construction period.

19                    The AFUDC approach is consistent with the GAAP requirement to  
20                    capitalize construction financing costs and then depreciate the costs over the  
21                    asset's service life. In that manner, the recovery occurs over the service life. The  
22                    revenue requirement is set to recover the depreciation expense plus a return on the  
23                    declining capitalization/rate base as the asset is depreciated for book accounting  
24                    and tax purposes. On long lead time construction projects, the AFUDC approach  
25                    allocates the total cost over the service life of the assets to the customers who are  
26                    served by the asset.

1

2 **Q. Is there a penalty to customers under the CWIP approach?**

3 A. Yes. Under the CWIP approach, the utility recovers and customers pay the  
4 construction financing costs on the related capitalization plus the income tax  
5 expense on the equity component of the return. This income tax expense then is  
6 remitted to the federal and state governments. In other words, this is an  
7 unnecessary expense during the construction period imposed on customers that  
8 provides no benefit to the utility or to its customers. In fact, it causes an  
9 economic harm over the life of the assets on a net present value basis, all else  
10 equal.

11

12 **Q. Describe how the Commission excludes CWIP from rate base or**  
13 **capitalization for other utilities.**

14 A. The Commission excludes CWIP from rate base for KPCo, Duke Energy  
15 Kentucky (electric and gas), and Columbia Gas. The FERC also excludes CWIP  
16 from rate base for KU. These utilities and KU in its wholesale jurisdiction  
17 capitalize their construction financing costs as AFUDC in the same manner that  
18 all other construction costs are capitalized and added to CWIP during the  
19 construction period. They do not recover their construction financing costs during  
20 construction. Instead, the construction financing costs are recovered after  
21 construction is completed and the CWIP is closed to plant-in-service. Thereafter,  
22 the utilities earn a return on the related rate base and recover the cost through  
23 depreciation expense over the service lives of the assets.

1

2 **Q. How does the Commission exclude CWIP in Kentucky Power Company rate**  
3 **cases?**

4 A. It includes AFUDC in operating income, which effectively eliminates the return  
5 on the CWIP included in rate base. This is referred to as the “AFUDC offset  
6 methodology.”<sup>39</sup> Methodologically, it calculates AFUDC using the authorized rate  
7 of return, net of the income tax expense savings from the interest expense  
8 deduction, and includes the net of tax AFUDC in operating income. When the  
9 operating income deficiency or surplus is grossed up to the revenue requirement,  
10 the effect of the “AFUDC offset” is a reduction in the revenue requirement  
11 equivalent to the grossed-up return times the CWIP balance.

12

13 **Q. How does the Commission exclude CWIP in the Duke Energy Kentucky rate**  
14 **cases?**

15 A. In its most recent gas and electric base rate cases, Duke Energy Kentucky made  
16 proforma adjustments to remove CWIP from its forecast capitalization amounts.<sup>40</sup>

17 In its most recent gas base rate case, Duke Energy Kentucky proposed a  
18 change from capitalization to rate base and simply excluded CWIP from its

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<sup>39</sup> Direct Testimony of Ranie K. Wohnhas at 22-23 in Case No. 2014-00396. I have attached the relevant pages from the Kentucky Power filing as my Exhibit\_\_(LK-12).

<sup>40</sup> I have attached the relevant pages from the Duke Energy Kentucky filings in Case Nos. 2017-00321 and 2018-00261 as my Exhibit\_\_(LK-13).

1 calculation of rate base.<sup>41</sup> In response to Staff discovery regarding the exclusion  
2 of CWIP from rate base, Duke Energy Kentucky responded:

3 Similar to its most recently approved electric rate case, Case No. 2017-  
4 00321, Duke Energy Kentucky is not requesting to include recovery of  
5 CWIP in base rates because of past Commission precedent that effectively  
6 eliminates recovery of a return on CWIP. When CWIP is included in rate  
7 base, the Commission has, in past cases, included an AFUDC offset to  
8 operating income, which was calculated by multiplying the CWIP balance  
9 times the full weighted average cost of capital. The inclusion of the  
10 AFUDC offset effectively eliminates any revenue requirement in the test  
11 year related to CWIP.<sup>42</sup>  
12

13 **Q. How does the Commission exclude CWIP in the Columbia Gas rate cases?**

14 A. In its most recent base rate case, Columbia Gas simply excluded CWIP from its  
15 calculation of rate base.<sup>43</sup>

16

17 **Q. What is your recommendation?**

18 A. I recommend that the Commission exclude CWIP from rate base (if the AG and  
19 KIUC recommendation to use rate base is adopted) or capitalization (if the AG  
20 and KIUC recommendation to use rate base is not adopted) and direct the  
21 Companies to accrue AFUDC starting with the date when base rates are reset in  
22 this proceeding.

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<sup>41</sup> Direct Testimony of Cynthia S. Lee at 6 in Case No. 2018-00261. I have attached the relevant pages from the Duke Energy Kentucky filing as my Exhibit\_\_(LK-14).

<sup>42</sup> Response to Staff 2-6 in Case No. 2018-00261. I have attached a copy of this response as my Exhibit\_\_(LK-15).

<sup>43</sup> Schedule B-4 and the Direct Testimony of Columbia Gas witness Mr. S. Mark Katco at 7-8 in Case No. 2016-00162. I have attached the relevant pages from the Columbia Gas filing as my Exhibit\_\_(LK-16).

1           The AFUDC approach is beneficial to the Companies and their customers.  
2           It benefits the Companies because it allows them to capitalize and recover the  
3           entirety of their construction financing costs, no more and no less. It benefits  
4           customers because it avoids the premature recovery of these costs during the  
5           construction period before the assets provide service, minimizes base rate  
6           increases, and allows customers to pay for these costs over the service lives of the  
7           assets when they are used and useful.

8           The AFUDC approach also avoids the premature recovery of income tax  
9           expense from customers under the CWIP approach through the grossed-up rate of  
10          return. This unnecessary income tax expense is recovered from customers and  
11          then simply remitted to the federal and state governments during the construction  
12          period. It benefits neither the Companies nor their customers.

13

14 **Q.    What methodology should the Commission use to exclude CWIP from**  
15 **capitalization?**

16 A.    I recommend that the Commission use the Duke Energy Kentucky/Columbia Gas  
17          methodology for KU and LG&E whereby CWIP is simply excluded from rate  
18          base, although the Kentucky Power methodology should yield the same result.  
19          The Duke/Columbia Gas methodology simply avoids the AFUDC offset  
20          calculation that is necessary if the Kentucky Power AFUDC offset methodology  
21          is used.

22

23 **Q.    What are the effects of your recommendation?**

1 A. The effects are a reduction in the KU revenue requirement of \$12.334 million and  
2 a reduction in the LG&E revenue requirement of \$5.160 million (electric) and  
3 \$3.841 million (gas) if the Commission does reduce the CWIP in rate base by the  
4 related accounts payable vendor financing that I addressed in the prior section.

5 The effects are a reduction in the KU revenue requirement of \$14.055  
6 million and a reduction in the LG&E revenue requirement of \$6.025 million  
7 (electric) and \$4.484 million (gas) if the Commission does *not* reduce the CWIP  
8 in rate base by the related accounts payable vendor financing that I addressed in  
9 the prior section.

10

11

#### IV. OPERATING INCOME ISSUES

12

#### 13 **A. Overview of Proposed Increases In Non-Fuel And Non-Gas O&M Expense**

14

15 **Q. Describe the Companies' proposals to increase non-fuel and non-gas O&M**  
16 **expense in the test year compared to the base year and prior calendar years.**

17 A. KU included an increase of \$44.095 million, or 11.1%, in the test year compared  
18 to the base year. This compares to annual increases of \$7.303 million, or 2.0%,  
19 on average since 2015.<sup>44</sup>

20 LG&E included increases of \$26.367 million (electric), or 9.5%, and  
21 \$15.349 million (gas), or 16.2%, in the test year compared to the base year. These

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<sup>44</sup> Responses to AG-KIUC 1-23 for KU and 1-22 for LG&E. These responses provide O&M expense by FERC expense account. I have attached a copy of these responses as my Exhibit\_\_(LK-17). I excluded the fuel expenses, purchased power expenses, purchased gas expenses, and customer assistance expenses from these amounts.

1 compare to annual increases of \$0.219 million, or 0.2% (electric) and \$4.784  
2 million, or 6.2% (gas), on average since 2015.<sup>45</sup>

3

4 **Q. What are the primary drivers for these significant overall O&M expense**  
5 **increases in the test year compared to the base year and prior calendar**  
6 **years?**

7 A. The primary drivers for these increases are the assumptions used to forecast  
8 increases in staffing and payroll and related expenses, including pension and  
9 OPEB expenses; generation outage expense; amortization of deferrals of  
10 generating outage expense over eight years; outside services; property insurance;  
11 injuries and damages; miscellaneous expenses (distribution); load dispatching  
12 (transmission); miscellaneous expenses (transmission); meter reading and meter  
13 expenses; and customer records and collections expenses. The following table  
14 summarizes the increases in each of these categories and/or accounts.

15

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<sup>45</sup> *Id.*

<b>Kentucky Utilities Company and Louisville Gas &amp; Electric Company</b> <b>O&amp;M Expense Increases Test Year Over Base Year</b> <b>Case Nos. 2020-00349 and 2020-00350</b> <b>For the Test Year Ended June 30, 2022</b> <b>\$</b>				
	FERC	KU Jurisd	LG&E Electric	LG&E Gas
	Accounts	Test Year Over Base Year	Test Year Over Base Year	Test Year Over Base Year
Total Projected O&M Increase Year over Year		44,095,410	26,366,718	15,348,936
% Increase Year over Year		11.1%	9.5%	16.2%
Specific O&M Increases by Account:				
Payroll and Payroll Related Costs (Incl Benefits)	Various	17,604,910	9,967,720	3,279,900
Generator Outage Deferral Amortization	Various	4,676,744	2,034,996	
Increased Generator Outage Expense Average	Various	9,664,448	3,823,901	
Load Dispatching (Trans)	561	1,199,822	768,154	
Miscellaneous Trans Expenses (Trans)	566	1,190,488	1,111,823	
Meter Expenses (Distr)	586	575,993	2,147,248	
Miscellaneous Expenses (Distr)	588	1,489,976	1,123,625	
Maintenance of Reservoirs and Wells	832			723,516
Maintenance of Mains (Trans)	863			7,032,680
Other Expenses (Distr)	880			1,251,768
Maintenance of Mains (Distr)	887			2,755,048
Meter Reading Expenses	902	646,220	196,627	
Customer Records and Collection Expenses	903	918,426		
Outside Services for IT and Other	923	3,291,376	3,254,477	1,366,943
Property Insurance	924	1,752,204	1,329,271	120,244
Injuries and Damages	925	1,277,075	802,280	300,535
Total Specific Large Increases		<u>44,287,683</u>	<u>26,560,122</u>	<u>16,830,634</u>

1

2

3 **Q. Have you reviewed the proposed increases in certain of these categories or**  
4 **accounts to determine if the forecasts are reasonable and justified?**

5 A. Yes. I address certain of these increases and provide recommendations related to  
6 staffing and payroll and related expenses; pension and OPEB expenses;  
7 generation outage expenses; outside services expenses; and several other expenses  
8 in subsequent sections of my testimony.

9

10 **B. Proposed Staffing Levels And Increases In Payroll Related Expenses Are**  
11 **Excessive And Unjustified**

12

1 **Q. Describe the Companies' proposed increases in staffing levels and payroll**  
2 **expense, including benefits expense and the related payroll taxes.<sup>46</sup>**

3 A. KU proposes an increase of 52 full-time equivalent employees ("FTEs") by the  
4 end of the test year compared to the end of calendar year 2020.<sup>47</sup> The increase in  
5 FTEs, along with an increase in the percentage of total payroll costs allocated to  
6 expense, as well as other increases in salaries and wages due to cost of living and  
7 merit increases results in an increase in total payroll expenses of \$17.605 million  
8 in the test year compared to the base year.

9 LG&E proposes an increase of 117 in FTEs by the end of the test year  
10 compared to the end of calendar year 2020.<sup>48</sup> The increase in FTEs, along with  
11 other an increase in the percentage of total payroll costs allocated to expense, and  
12 other increases in salaries and wages due to cost of living and merit increase  
13 results in an increase in total payroll costs of \$9.968 million (electric) and \$3.280  
14 million (gas) in the test year compared to the base year.

15

16 **Q. In their filings, the Companies claim that the reason for the increases in the**  
17 **FTEs the related increases in payroll expense is that the base period costs**

---

<sup>46</sup> I separately address the pension and OPEB expense issues in a subsequent section of my testimony although this section does include the pension and OPEB expense related to the increases in staffing.

<sup>47</sup> Responses to AG-KIUC 1-41 provide the FTEs by department at the end of the test year, base year, and calendar years 2015 through 2020. Responses to AG-KIUC 1-42 for KU and AG-KIUC 2-25 for LG&E provide the FTE staffing levels and related payroll (direct and burdens) at the end of the test year, base year, and calendar years 2015 through 2020. I have attached a copy of these responses as my Exhibit\_\_\_(LK-18). This amount includes an increase of KU employees of 13 and an allocation increase of LGS employees of 39.

<sup>48</sup> *Id.* This amount includes an increase of LG&E employees of 82 and an allocation increase of LGS employees of 35.

1           **were low “due to vacancies as a result of hiring delays due to Covid.”<sup>49</sup> What**  
2           **assumptions are reflected in the test year?**

3    A.     The Companies provided internal reports that their actual FTEs and supplemental  
4           contractors were less than budgeted levels in 2020.<sup>50</sup> Each Company asserts that  
5           it “intends to fill all open positions between January 1, 2021 through June 30,  
6           2022, and will utilize overtime and supplemental contractors as needed.”<sup>51</sup>

7

8    **Q.     Is that assumption reasonable?**

9    A.     No. The Companies rather obviously were able to operate with the lower levels of  
10           FTEs and supplemental contractors in 2020 and have not justified the increases  
11           that they propose in the test year.

12

13   **Q.     What is your recommendation?**

14   A.     I recommend that the Commission assume the same number of FTEs in the test  
15           year as there were at the end of 2020 and reduce the payroll expense in the test  
16           year proportionately.

17

18   **Q.     What is the effect of your recommendation?**

19   A.     The effect is a reduction in KU payroll and related expenses of \$5.095 million and  
20           reductions in LG&E expenses of \$7.472 million (electric) and \$3.106 million

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<sup>49</sup> Schedule D-1.

<sup>50</sup> Responses to AG-KIUC 1-43. I have attached copies of these responses as my Exhibit \_\_\_(LK-19).

<sup>51</sup> *Id.*

1 (gas). These amounts include payroll and related expenses charged to KU and  
2 LG&E from LG&E and KU Services Company (“LKS”). These amounts are  
3 before gross-ups for bad debt expense and Commission fees.  
4

5 **Q. Is there another issue that will or should affect the staffing and payroll and**  
6 **related expenses in the test year?**

7 A. Yes. KU assumes that 68.71% of its payroll costs will be expensed in the test  
8 year compared to 66.05% in the base year. LG&E assumes that 70.83% of its  
9 payroll costs will be expensed in the test year compared to 68.86% in the base  
10 year.

11 The Companies claim that the increases in the percentages expensed are  
12 due to lower forecast construction activity in the test year compared to the base  
13 period and calendar year 2020.<sup>52</sup> However, the assumption with respect to lower  
14 construction activity in the test year should result in fewer FTEs, not more, and  
15 lower payroll cost and related payroll expenses even if more of the payroll cost is  
16 expensed rather than capitalized to plant or charged to other cost categories.  
17

18 **Q. Do you have a separate recommendation to address this issue?**

19 A. No. However, the Commission should consider this reality in conjunction with its  
20 determination of whether the proposed increases in the FTEs and payroll costs are  
21 reasonable and justified.

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<sup>52</sup> Responses to AG-KIUC 1-45. I have attached a copy of these responses as my Exhibit\_\_\_\_(LK-20).

1

2 **C. Generation Outage Expense Should Be Calculated Using An Average Of**  
3 **Inflation-Adjusted Historic Actual Expenses, Not An Average including**  
4 **Multiple Years Of Forecast Expenses, And Should Not Be Subject To True-**  
5 **Up**  
6

7 **Q. Describe the Companies' proposal to normalize generation outage expense.**

8 A. KU proposes normalized outage expense of \$26.304 million total Company.

9 LG&E proposes normalized outage expense of \$17.115 million.

10 The Companies calculated normalized generation outage expense based on  
11 an average of actual outage expense for 2017, 2018, 2019, January through  
12 August 2020, and forecast expense for September 2020 through December 2024.

13 The Companies also propose to true-up and defer actual generation outage  
14 expenses that exceed or are less than the amount allowed in the base revenue  
15 requirement as either a regulatory asset or liability. In conjunction with the true-  
16 up and deferral mechanism, the Companies propose to amortize any regulatory  
17 asset or liability balance over eight years on a rolling basis.

18

19 **Q. How do the Companies' requests compare to their historic actual outage**  
20 **expense and the forecast outage expense in future years?**

21 A. The following table compares the annual actual and forecast outage expenses  
22 (total Company) for the calendar years 2013 through 2020, forecast years 2021  
23 through 2024, the test year without normalization, and the test year normalized.

24 The Companies included the normalized outage expense in their proposed rate

1 increases.<sup>53</sup>

2

<b>Kentucky Utilities Company and Louisville Gas &amp; Electric Company                      Generation Outage Expense Excluding Expense for Retired Units                      Case Nos. 2020-00349 and 2020-00350                      For the Test Year Ended June 30, 2022</b>			
\$			
Year	Actual or Projected	KU Total Company	LG&E
2013	Actual	5,885,981	12,851,154
2014	Actual	19,802,970	10,418,983
2015	Actual	19,767,828	9,427,739
2016	Actual	14,331,933	12,895,303
2017	Actual	13,453,747	15,527,861
2018	Actual	24,535,608	18,501,313
2019	Actual	31,479,823	22,833,527
2020	Actual & Projected	33,344,547	11,798,578
2021	Projected	28,304,369	21,003,010
2022	Projected	25,714,065	15,512,403
2023	Projected	18,994,701	16,177,983
2024	Projected	34,602,886	15,561,983
Test Year Without Normalization		27,009,217	18,257,707
Test Year Normalized		26,303,718	17,114,582

3

4

5 **Q. Is it reasonable to normalize generation outage expense?**

6 **A.** Yes. There are significant variations from year to year depending on the timing

---

<sup>53</sup> It should be noted that the historic actual outage expenses exclude the outage expense for generating units that since have been retired and no longer will incur outage expenses. These units include KU's Haefling 3, Green River 3 and 4, Brown 1 and 2, and LG&E's Cane Run 4, 5, and 6.

1 of the outages and the scope of the maintenance and construction that is  
2 performed during the outages in each calendar year or other twelve-month period,  
3 such as the base period or the test year.  
4

5 **Q. Is the Company's proposal to normalize the outage expense using three years**  
6 **and eight months of actual expenses and four years and four months of**  
7 **forecast expenses reasonable?**

8 A. No. The future is inherently unknown and uncertain. The timing and scope of  
9 future planned outages involves many assumptions, many or most of which  
10 change over time as a practical matter.

11 A single forecast test year presents significant challenges for the  
12 Commission and other parties in their reviews due to the fundamental uncertainty  
13 of the future and due to the inherent incentive for a utility to understate its  
14 forecast revenues and overstate its forecast costs (rate base/capitalization and  
15 expenses). Adding forecast years beyond the test year magnifies these problems  
16 and completely violates any rational concept of a single integrated test year.

17

18 **Q. Is it reasonable to include the outage expense in the historic years for**  
19 **generating units that already are retired?**

20 A. No. The Companies agree and removed these expenses from their calculations of  
21 normalized outage expense.  
22

22

23 **Q. Is there a better methodology to calculate the normalized outage expense**

1 **than that proposed by the Companies?**

2 A. Yes. A better approach is to calculate and use an average of historic actual outage  
3 expense, adjusted to remove outage expenses for generating that already are  
4 retired and escalated for inflation. Such an approach provides a better estimate of  
5 future outage expense because it is tethered to the actual expenses incurred over  
6 the most recent major outage and overhaul cycle. The escalation to future dollars  
7 addresses the inflation from the historic period to the test year. Historically, the  
8 Commission has used a similar methodology to calculate normalized generation  
9 outage expense and storm expense.

10

11 **Q. Does the Companies' proposed true-up mechanism provide the right**  
12 **behavioral incentives?**

13 A. No. It provides an uneconomic behavioral incentive and encourages excessive  
14 expenses. It allows the Companies to incur additional outage expenses without  
15 constraint because they simply are able to defer the incremental expenses and then  
16 recover the deferred amounts in future rate cases, as is the case in these  
17 proceedings. In fact, under their proposed methodology, KU forecasts a deferral  
18 of \$40.187 million (total Company) and LG&E forecasts a deferral of \$17.487  
19 million (electric) as of June 30, 2021.<sup>54</sup>

20

21 **Q. Is there a better ratemaking approach to incentivize the Companies to**

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<sup>54</sup> Attachment 2 to KU and LG&E responses to AG-KIUC 1-37 page 2 of 2. I have attached a copy of these responses as my Exhibit\_\_(LK-21).

1           **minimize outage expense through prioritization of maintenance activities and**  
2           **adoption of best practices and efficiencies?**

3    A.    Yes. The Commission should deny the Companies' request for a true-up of their  
4           outage expenses and authorization for the related deferrals. Without guaranteed  
5           recovery of excessive outage expenses, the Companies will be incentivized to  
6           minimize the outage expense to the extent reasonable and practicable. This is an  
7           appropriate regulatory objective, customer safeguard, and behavioral incentive to  
8           encourage best practices and efficiencies.

9

10   **Q.    What are your recommendations?**

11   A.    I recommend that the Commission normalize the generation outage expense in the  
12           test year by using an average of the Companies' most recent historic actual eight  
13           years of outage expenses, adjusted to exclude the outage expense for generating  
14           units already retired and escalated for inflation to the test year. In this manner,  
15           the Companies will recover less than their unusually high forecast outage expense  
16           in the test year, but more than their actual costs in the years after the test year  
17           when they forecast fewer outages. The idea is to normalize based on actual  
18           expenses, not to maximize based on continuing unusually high forecast outage  
19           expense beyond the test year.

20

21   **Q.    What are the effects of your recommendation?**

22   A.    The effects are a reduction in the KU revenue requirement of \$3.887 million and  
23           in the LG&E revenue requirement of \$1.578 million. I used a 2.0% annual

1 inflation rate for this purpose.

2

3 **D. Pension and OPEB Expenses Are Overstated**

4

5 **1. Actuarial Costs Are Overstated for The Test Year**

6

7 **Q. Describe the Companies' proposal to increase pension and OPEB expense in**  
8 **the test year compared to the 2020 calendar year and the base year.**

9 A. KU included \$7.360 million in pension expense in the test year. This compares to  
10 \$6.499 million incurred in 2020 and \$6.291 million estimated for the base year.

11 KU included \$0.734 million in OPEB expense in the test year. This  
12 compares to \$0.049 million incurred in 2020 and negative \$0.173 million  
13 estimated for the base year.<sup>55</sup>

14 LG&E included \$5.972 million (electric) and \$1.790 million (gas) in  
15 pension expense in the test year. This compares to \$4.551 million (electric) and  
16 \$1.364 million (gas) incurred in 2020 and \$4.249 million (electric) and \$1.274  
17 million (gas) estimated for the base year.<sup>56</sup>

18 LG&E included \$1.202 million (electric) and \$0.721 million (gas) in  
19 OPEB expense in the test year. This compares to \$0.954 million (electric) and  
20 \$0.573 million (gas) incurred in 2020 and \$1.036 million (electric) and \$0.622

---

<sup>55</sup> KU responses to AG-KIUC 1-50 for pension expense and 1-51 for OPEB expense in the base year and test year and responses to AG-KIUC 2-4 for pension expense and OPEB expense in 2020. I have attached a copy of the narrative portion and applicable pages from these responses as my Exhibit\_\_\_(LK-22).

<sup>56</sup> *Id.*

1 million (gas) estimated for the base year.<sup>57</sup>

2

3 **Q. Is the Companies' proposal to increase pension and OPEB expense justified?**

4 A. No. The Companies' calculations are estimates only and are not sufficiently  
5 justified or reliable for ratemaking purposes. The estimates for 2021 and 2022  
6 that the Companies used for the test year were developed by Willis Towers  
7 Watson, the Companies' actuarial firm, and were received by the Companies on  
8 June 4, 2020, apparently in anticipation of these rate proceedings.<sup>58</sup> Typically,  
9 the Companies do not receive the actuarial cost calculations from the actuary for  
10 the current calendar year until later in the current year, and, as such, the estimates  
11 from June 4, 2020 have not been updated to reflect the actual values of trust fund  
12 assets, obligations, or any assumptions that may have changes since June of last  
13 year.<sup>59</sup>

14 The Company's calculations demonstrably overstate the pension and  
15 OPEB expense in the test year due to the use of outdated trust fund balances that  
16 do not reflect the huge increases in the stock market indices since the end of 2019.  
17 More specifically, the Companies' actuarial firm assumed that "the fair value of  
18 the [trust] fund assets" would grow only 0.7% in 2020, a mere fraction of the  
19 actual increases in the Dow Jones Industrial Average and in other market indices

---

<sup>57</sup> LG&E responses to AG-KIUC 1-50 for pension expense and 1-51 for OPEB expense in the base year and test year and responses to AG-KIUC 2-4 for pension expense and OPEB expense in 2020. I have attached a copy of the narrative portion and applicable pages from these responses as my Exhibit\_\_(LK-23).

<sup>58</sup> *Id.*

<sup>59</sup> Responses to AG-KIUC 2-17. I have attached a copy of these responses as my Exhibit\_\_(LK-24).

1 in 2020, and significantly less than the assumption that the growth would be 7.0%  
2 in 2021 and years thereafter.<sup>60</sup> The pension and OPEB cost calculations include a  
3 return on the trust fund assets, which results in a credit to the pension and OPEB  
4 cost, so the lower the assumed fair value at December 31, 2020 used for the 2021  
5 pension and OPEB cost estimates and the assumed fair value at December 31,  
6 2021 used for the 2022 pension and OPEB cost estimates, the greater the pension  
7 and OPEB cost, all else equal.

8

9 **Q. Do the Companies have direct management control over the actual pension**  
10 **and OPEB costs?**

11 A. Generally, no. The Companies cannot directly control the market performance of  
12 the trust fund investments or the mortality experience that affects the pension and  
13 OPEB obligations. The Companies control only the assumptions used for the  
14 return on the trust fund assets and the discount rates and other assumptions used  
15 for the obligations and the amounts of any voluntary contributions (funding) to  
16 the trust funds in excess of ERISA minimum funding requirements.

17

18 **Q. Why is the ability of the Companies to directly control their actual pension**  
19 **and OPEB costs an issue for ratemaking purposes?**

20 A. It is an issue because the actual pension and OPEB costs are volatile from year to  
21 year and cannot be accurately predicted for the year ahead, let alone for the

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<sup>60</sup> *Id.*

1 “foreseeable future,” the length of time that the Companies plan to avoid base rate  
2 case filings. Nevertheless, the Companies attempted to forecast the costs for the  
3 test year, but biased the result upward by failing to update the trust fund assets to  
4 year end 2020.

5

6 **Q. Is there an equitable approach to pension and OPEB costs that ensures the**  
7 **costs are recovered, but only the amounts that are incurred?**

8 A. Yes. The Commission could set the pension expense included in the base revenue  
9 requirement and then direct the Companies to record a regulatory asset or liability  
10 for the difference if the actual expense is more (regulatory asset) or less  
11 (regulatory liability). The Wisconsin Public Service Commission and the Public  
12 Utility Commission of Texas, among others, use this approach to address the  
13 volatility in these expenses.

14 Such a deferral would operate similar to a storm reserve whereby the  
15 utility accrues (credits) the allowed expense to the reserve (in this case, the  
16 pension and OPEB reserves), then charges (debits) the actual expense, based on  
17 the cost determined by its actuary allocated to expense, against the reserve. The  
18 net amount in the reserve is simply the balance of overrecovery (if a liability  
19 balance) or underrecovery (if an asset balance).

20

21 **Q. Why is this a reasonable approach and the major generation outage deferral**  
22 **mechanism an unreasonable approach?**

23 A. There is a fundamental difference between pension and OPEB expense and

1 generation outage expense. That difference is the level of direct management  
2 control over the timing and amount of the expense. The Companies have no  
3 management control over the timing and limited control over the level of the  
4 pension and OPEB expense. However, they have significant control over the  
5 timing and level of generation outage expense.

6

7 **Q. What are your recommendations?**

8 A. I recommend that the Commission use the actual pension and OPEB expense for  
9 calendar year 2020 to set the base revenue requirements in these proceedings and  
10 direct the Companies to defer the differences in actual pension and OPEB  
11 expenses compared to the pension and OPEB expense included in the revenues  
12 requirements starting when base rates are reset in these proceedings.

13

14 **Q. What are the effects of your recommendation?**

15 A. The effects are reductions in the KU rate increase of \$1.453 million, LG&E  
16 electric increase of \$1.676 million, and LG&E gas increase of \$0.577 million.

17

18 **2. Reductions In Retirement Benefits Expense To Reflect Commission Precedent**

19

20 **Q. Describe the disallowance of certain “retirement benefits expense” by the**  
21 **Commission in Case Nos. 2016-00370, 2016-00371, 2018-00294 and 2018-**  
22 **00295, the Companies’ two most recent base rate case proceedings.**

23 A. In those Orders, the Commission disallowed retirement benefits expense for those

1 employees who participated in both the defined benefit pension plan and received  
2 matching contributions pursuant the 401(k) defined contribution plan. In its  
3 Orders in the two most recent cases, the Commission stated “The Commission  
4 finds that, for ratemaking purposes, it is not reasonable to include KU’s [LG&E’s]  
5 contributions to both the Pre-2006 DB Plan and the Matching Plan.”<sup>61</sup>

6

7 **Q. Have the Companies quantified the disallowance of retirement benefits**  
8 **expense if the Commission applies the same methodology in these**  
9 **proceedings?**

10 A. Yes. The Companies quantified the disallowance in response to discovery,  
11 although they did not reflect these disallowances in their claimed revenue  
12 requirements. KU quantified a disallowance of \$0.844 million in retirement  
13 benefits expense and LG&E quantified a disallowance of \$0.658 million in  
14 electric expense and \$0.219 million in gas expense.<sup>62</sup> These amounts were  
15 grossed up for bad debt expense and Commission fees to include on my summary  
16 table of revenue requirement adjustments.

17

18 **3. No Adjustments to Pension Expense Or OPEB Expense Are Necessary If The**  
19 **Commission Excludes the Pension and OPEB Assets And Liabilities from Rate Base**  
20

21 **Q. Describe the Commission’s adjustment to increase pension expense in KPCo**  
22 **Case No. 2020-00174.**

---

<sup>61</sup> Orders at 17.

<sup>62</sup> Responses to AG-KIUC 1-35. I have attached a copy of the response as my Exhibit\_\_\_\_(LK-25).

1 A. In the KPCo case, the Commission accepted an adjustment proposed by KPCo in  
2 the Rebuttal Testimony of Heather Whitney (detailed on her Exhibit HMW-3) to  
3 increase pension and OPEB *expense* for the claimed reduction in pension and  
4 OPEB *cost (not expense)* due to the positive amounts recorded by KPCo in  
5 account 165 subaccounts for pension and OPEB “contributions” in excess of  
6 pension and OPEB costs recorded in prior years multiplied times the actuarial  
7 return used to calculate the return on pension and OPEB trust fund assets in the  
8 calculation of pension and OPEB costs.

9

10 **Q. Is a similar adjustment relevant or necessary in these proceedings?**

11 A. No. First, unlike KPCo, the Companies have no similar entries recorded in  
12 account 165 and seek to include no similar amounts in rate base. Second, the  
13 Companies adamantly oppose such an adjustment. In response to AG-KIUC  
14 discovery regarding the calculation of a similar adjustment, the Companies stated  
15 “The Company does not agree with the use of this methodology in this  
16 proceeding,”<sup>63</sup> although their opposition to such an adjustment is based, in part,  
17 on their proposal to include the two asset and two liability pension and OPEB  
18 amounts in rate base. Third, there is no increase to the pension and OPEB  
19 expense necessary to recover any savings from any alleged contributions in  
20 excess of pension and OPEB costs.

21

---

<sup>63</sup> Responses to AG-KIUC 2-11. I have attached a copy of the responses as my Exhibit\_\_(LK-26).

1 **Q. Have the Companies quantified adjustments to increase pension expense if**  
2 **the Commission adopts similar adjustment in these proceedings?**

3 A. Yes. However, the Companies' calculations are fundamentally flawed. As I  
4 noted previously, unlike KPCo, the Companies record no amounts in account 165  
5 for claimed contributions in excess of pension costs. Thus, they have no amounts  
6 in account 165 to make calculations comparable to that adopted for KPCo.  
7 Instead, they used the amounts in account 128, which are the pension trust fund  
8 assets in excess of the pension obligations. There are no amounts in account 128  
9 for OPEB because the OPEB trust fund assets are less than the OPEB obligations.  
10 As I noted previously, the amounts in account 128 are not the same as the  
11 amounts recorded by KPCo in account 165.

12 Further, there is absolutely no evidence that the pension trust fund assets  
13 in excess of the pension obligation were simply the result of contributions in  
14 excess of pension costs when, in fact, the pension trust fund assets and pension  
15 obligation also are affected by changes due to investment earnings and gains in  
16 excess of actuarial assumptions and changes in the pension obligation, and  
17 pension contributions actually may have been less than pension costs.

18 Further, the Companies failed to calculate a similar adjustment to reduce  
19 pension expense for the savings from underfunding the OPEB obligation. In  
20 other words, if the Commission calculates an adjustment to increase the  
21 Companies' pension expense to reflect the fact that the pension trust fund exceeds  
22 the pension obligation, then it also should calculate an adjustment to reduce  
23 OPEB expense to reflect the fact that the OPEB trust fund is less than the OPEB

1 obligation.

2 Finally, like KPCo, the Companies' calculation failed to recognize the fact  
3 that such an adjustment, if adopted, should reflect only the allocation to expense,  
4 not the entirety of the adjustment to increase pension cost.

5

6 **Q. What is your recommendation?**

7 A. I recommend that the Commission not only exclude the two pension assets and  
8 two OPEB liabilities from rate base, but that it also reject any adjustment to  
9 increase pension expense. Nevertheless, if it adopts an adjustment to increase  
10 pension expense, then it also should adopt an adjustment to reduce OPEB  
11 expense. In addition, the adjustments should reflect only the expense component  
12 and exclude the capital/plant component.

13

14 **E. Increases In Certain Other O&M Expenses Are Excessive And Unjustified**

15

16 **Q. Describe the Companies' proposed increases in account 923 *Outside Services***  
17 **in the test year compared to the base year.**

18 A. KU proposes an increase of \$3.291 million, or 18.2%, and LG&E proposes  
19 increases of \$3.254 million (electric), or 23.6% and \$1.367 million (gas), or  
20 31.6%.<sup>64</sup> KU described the reason for the increase as follows:<sup>65</sup>

21 Increase is primarily within the IT organization due to increases in  
22 supplemental contractor expenses for IT Development data cleanup

---

<sup>64</sup> Schedules D-1 (Excel workbook) provided in response to Staff 1-56.

<sup>65</sup> *Id.* LG&E's descriptions of the variances in the test year compared to the base period for electric and gas were nearly identical to KU's description.

1 initiatives, IT infrastructure for Enterprise Security Standards effective in  
2 2021 and assessment costs for major capital projects.  
3

4 The Companies were asked to provide more specific information on each  
5 of the initiatives, the nature of the increases, and whether they were recurring in  
6 response to AG and KIUC discovery. The Companies identified an IT  
7 development data cleanup initiative related to its GIS system, IT assessment  
8 projects, and hardware software maintenance contract expenses. The Companies  
9 also cited increases in legal expenses for “unanticipated matters.”<sup>66</sup>  
10

11 **Q. Does this information justify these significant increases in test year expenses**  
12 **compared to the base period?**

13 A. No. At best, the information provides an explanation of the costs included, but  
14 does not provide justification for the increases.  
15

16 **Q. What is your recommendation?**

17 A. I recommend that the Commission reject these increases. The forecast process is  
18 dynamic, yet generally biased toward increases, especially if the increases are  
19 rewarded with revenue increases. After the rate increases are determined, there is  
20 no obligation nor commitment actually to incur the forecast expenses. In  
21 addition, it appears as if certain of the increases are very poorly defined or  
22 developed and lack justification as to why the expenses must be incurred in the

---

<sup>66</sup> Responses to AG-KIUC 2-16. I have attached a copy of these responses as my Exhibit\_\_\_(LK-27).

1 test year when they could have been incurred in prior years, but were deferred for  
2 various reasons, or why they were forecast at a certain level of activity and the  
3 related expenses.

4

5 **Q. Describe the Companies' proposed increases in account 588 *Miscellaneous***  
6 ***Expenses (Distribution) in the test year compared to the base year.***

7 A. KU proposes an increase of \$1.900 million, or 21.3%, and LG&E proposes an  
8 increase of \$1.124 million (electric), or 17.9%.<sup>67</sup> KU described the reason for the  
9 increase as follows:<sup>68</sup>

10 The increase is due to the new IT OT security initiative, increases  
11 throughout the KU operations centers in health and safety and operational  
12 training (base period low due to COVID), and an increase in IT  
13 maintenance costs from IT capital projects.  
14

15 LG&E describe the reasons for the increase as follows:

16 The increase is due to several factors - the new IT OT security initiative;  
17 increases in Louisville Operations associated with training and other  
18 expenses due to 11 new employees (along with lower than normal training  
19 costs in 2020 due to COVID); higher than anticipated facility costs  
20 associated with facility upkeep (i.e. gravel, snow, carpet cleaning),  
21 increases in janitorial contracts and facility increases for maintaining  
22 additional square footage (mainly Mondi space at Auburndale); and higher  
23 IT maintenance costs from IT capital projects. These increases are  
24 somewhat offset by substation cost decreases (which are offset in FERC  
25 592).  
26

27 The Companies were asked to provide additional information in response  
28 to discovery to justify increases of this magnitude. The Companies described a

---

<sup>67</sup> KU and LG&E Schedules D-1 (Excel workbooks) provided in response to Staff 1-56.

<sup>68</sup> *Id.* LG&E's descriptions of the variances in the test year compared to the base period for electric and gas were nearly identical to KU's description.

1 new IT OT security program, increases in training expenses, and increases in IT  
2 maintenance and contract expenses.<sup>69</sup>

3

4 **Q. Does this information justify these significant increases in test year expenses**  
5 **compared to the base period?**

6 A. It may for the new IT OT security program; however, it does not for the increases  
7 in training expenses and IT maintenance and contract expenses. At best, for the  
8 latter two categories of expenses, the information provides an explanation of the  
9 costs included, but does not provide justification for the increases. As I noted  
10 previously, the forecast process is dynamic and there is a bias toward increases in  
11 expenses, not reductions. The Companies failed to note any offsetting reductions  
12 in expenses compared to the base year.

13

14 **Q. What is your recommendation?**

15 A. I recommend that the Commission reject the increases in training expenses and IT  
16 maintenance and contract expenses. They have not been justified. There is no  
17 reason why such expenses and, for that matter, all expenses that are recorded to  
18 account 588 cannot be managed in both the aggregate and specific detail so that  
19 the increase in the test year compared to the base year is less aggressive.

20

21 **Q. What are the effects of your recommendation?**

---

<sup>69</sup> KU response to AG-KIUC 2-30(d). I have attached a copy of this response as my Exhibit\_\_(LK-28).

1 A. The effects are a reduction in KU's account 588 expense of \$0.667 million and  
2 LG&E's account 588 expense of \$0.429 million after gross-up for bad debt and  
3 Commission fees.

4

5 **Q. Describe LG&E's proposed increase in account 868 *Maintenance of Mains* in**  
6 **the test year compared to the base year.**

7 A. LG&E proposes an increase of \$7.033 million, or 97.2%.<sup>70</sup> LG&E described the  
8 reason for the increase as follows:<sup>71</sup>

9 Increase is primarily due to enhanced inline inspections and validation  
10 digs planned for the forecasted period.  
11

12 LG&E further explained the proposed increase in response to discovery as  
13 follows:<sup>72</sup>

14 The \$7.023 million projected increase in FERC 863 in the test year is due  
15 primarily to the following:

16

17 • \$10.766 million is due to enhanced inline inspections (ILIs) and  
18 validation digs. This cost was developed based on the cost of  
19 inspecting each specific pipeline included in the test year period  
20 (as noted in the table below). These inspections and digs are being  
21 conducted within the transmission integrity management program  
22 to address regulatory requirements of the Mega Rule Part 1 and  
23 enhance pipeline safety. See below for a breakdown of these costs  
24 between the base period and the test year [chart not reflected].  
25

26

27 • Decrease of \$4.103 million cost for the development of a dual-  
diameter inspection tool that was included in the base year.

---

<sup>70</sup> KU and LG&E Schedules D-1 (Excel workbooks) provided in response to Staff 1-56.

<sup>71</sup> *Id.* LG&E's descriptions of the variances in the test year compared to the base period for electric and gas were nearly identical to KU's description.

<sup>72</sup> LG&E response to AG-KIUC 2-26(h). I have attached a copy of this response as my Exhibit\_\_(LK-29).

- 1
- 2           • \$0.246 million is due to an increase in pipeline integrity
- 3           management costs. This is primarily company labor to implement
- 4           actions associated with the Mega Rule part 1 and transmission
- 5           integrity management program.
- 6

7 **Q. What is your recommendation?**

8 A. I recommend that the Commission direct LG&E to defer these one-time initial

9       inspection costs and amortize them over 10 years rather than expensing them as

10      incurred. Similar to plant costs the inspection costs have long-term asset value

11      and should be treated in that manner for ratemaking purposes.

12

13 **Q. What is the effect of your recommendation?**

14 A. The effect is a reduction in LG&E's account 863 expense of \$10.766 million

15      offset by an increase in amortization of \$1.077 million. The net amount grossed

16      up for bad debt expense and Commission fees is a reduction of the LG&E gas

17      revenue requirement of \$9.729 million.

18

19 **F. Refunds And Ongoing Savings From A Successful FERC Complaint To**

20 **Eliminate Merger Mitigation De-pancaking Transmission Rates Should Be**

21 **Deferred As A Regulatory Liability**

22

23 **Q. Describe the Companies' complaint before the FERC to eliminate merger**

24 **mitigation de-pancaking ("MMD") transmission rate subsidies.**

25 A. On August 3, 2018, the Companies filed a Joint Application at the FERC seeking

26      to remove the MMD component of transmission Rate Schedule No. 402 ("RS

1 402”).<sup>73</sup> That mechanism provides subsidized transmission service to RS 402  
2 customers and allows them to avoid Midwest Independent System Operator, Inc.  
3 (“MISO”) transmission charges when buying power sourced in MISO and  
4 KU/LG&E transmission charges when selling power into MISO. The MMD  
5 mechanism was initially adopted to address horizontal market power concerns  
6 stemming from the Companies’ 1998 merger. However, the complaint asserts  
7 that market conditions have fundamentally changed since 1998, rendering the  
8 MMD mechanism no longer just and reasonable.

9

10 **Q. Are these MMD expenses included in the Companies’ revenue requirements?**

11 A. Yes. These subsidies to the municipals and certain other customers are included  
12 in transmission expenses in the retail revenue requirement in these proceedings  
13 and also were included in prior proceedings. The Companies state the following  
14 in their Application at the FERC:

15 Exacerbating the cost-causation problems associated with MMD is the fact  
16 that the costs not borne by RS 402 Customers are shifted to LG&E/KU’s  
17 other customers. A small portion of the MMD costs (reimbursing RS 402  
18 Customers for MISO charges, plus lost LG&E/KU system charges) flow  
19 through the companies’ Attachment O formula transmission rate.  
20 Approximately 80 percent of the MMD costs are borne by LG&E/KU’s  
21 retail customers through rates approved by their state regulators.  
22

23 **Q. What is the MMD expense included in each Company’s revenue requirement**  
24 **in these proceedings?**

25 A. KU included \$20.8 million and LG&E included \$13.0 million in their revenue

---

<sup>73</sup> *Joint Application Under FPA Section 203 and Section 205 of Louisville Gas and Electric Company and Kentucky Utilities Company*, FERC Docket Nos. EC98-2-00 and ER18-2162-000.

1 requirements.<sup>74</sup>

2

3 **Q. What is the present status of the Companies' complaint before the FERC?**

4 A. The FERC granted the Companies' request to eliminate de-pancaking subject to a  
5 transition mechanism. The Companies have made various filings; however, the  
6 FERC has not yet approved a transition mechanism and there are various appeals  
7 still pending. The Companies provided the following description in response to  
8 discovery in this proceeding.<sup>75</sup>

9 In July 2019 LG&E and KU proposed their transition mechanism to the  
10 FERC, which was in response to FERC's order in March 2019 granting the  
11 Company's request to eliminate de-pancaking subject to a transition  
12 mechanism. In September 2019, the FERC rejected the proposed transition  
13 mechanism and issued a separate order providing clarifications of certain  
14 aspects of the March 2019 order. In October 2019, LG&E and KU filed  
15 requests for rehearing and clarification on the two September orders. In  
16 September 2020, FERC issued its orders in the rehearing process that  
17 modified the discussion in, and set aside portions of, the September 2019  
18 orders including adjusting factors impacting the proposed transition  
19 mechanism.

20  
21 In October 2020, both LG&E and KU and other parties filed separate motions  
22 for rehearing and clarification regarding FERC's September 2020 orders. In  
23 November 2020, the FERC denied the parties' rehearing requests. In  
24 November 2020 and January 2021, LG&E and KU and other parties filed for  
25 appeal of the September 2020 and November 2020 FERC orders with the  
26 D.C. Circuit Court of Appeals, where certain additional prior petitions for  
27 review relating to the proceedings are also pending. The D.C. Circuit appeal,  
28 as consolidated, is currently being held in abeyance until January 29, 2021, by  
29 which date the parties have been directed to file motions to govern further  
30 proceedings. On January 15, 2021, LG&E and KU filed a new proposal for a  
31 transition mechanism, seeking FERC's acceptance of the filing as compliant  
32 with FERC's prior orders.

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<sup>74</sup> Refer to worksheet tab "IS" in the Schedule C and D electronic files provided in response to Staff 1-56 for both Companies. Refer further to amounts listed by month for accounts 566.1 for KU and 566 for LG&E.

<sup>75</sup> Responses to AG-KIUC 1-59. The full narrative of those responses has been provided so I have not attached copies of the responses as an exhibit.

1

2 **Q. If the Companies ultimately are successful in getting the transition**  
3 **mechanism approved and in the various appeals, what will be the outcome?**

4 A. There will ongoing reductions in expense due to the elimination of the subsidies  
5 to the transmission customers and there may be refunds as well.

6

7 **Q. What is your recommendation?**

8 A. I recommend that the Commission direct the Companies to defer all refunds and  
9 ongoing savings as regulatory liabilities for disposition in a future base rate or  
10 special proceeding. The expenses are included in the revenue requirement in this  
11 proceeding and have been included in base revenues in prior years. The  
12 Companies should not be allowed to retain the savings in expense or any refunds  
13 of amounts that customers have paid.

14

15

## V. COST OF CAPITAL ISSUES

16

17 **Q. Have you quantified the effects of Mr. Baudino's recommended reduction in**  
18 **the long-term debt rate to reflect a lower coupon rate for the Companies'**  
19 **forecast June 30, 2021 issuances?**

20 A. Yes. The effects are a reduction in KU's base rate revenue requirement of \$0.442  
21 million and a reduction in LG&E's base rate revenue requirement of \$0.590  
22 million (electric) and \$0.174 million (gas), using rate base, not capitalization, and  
23 after all AG and KIUC recommended adjustments to rate base. The effects are a

1 reduction in KU's ECR revenue requirement of \$0.046 million and a reduction in  
2 LG&E's ECR revenue requirement of \$0.080 million (electric).

3

4 **Q. Have you quantified the effects of Mr. Baudino's recommended return on**  
5 **equity compared to the 10.0% return on equity requested by the Companies?**

6 A. Yes. The effects are a reduction in KU's revenue requirement of \$34.985 million  
7 and a reduction in LG&E's revenue requirement of \$23.323 million (electric) and  
8 \$6.897 million (gas), using rate base, not capitalization, and after all AG and  
9 KIUC recommended adjustments to rate base. The effects are a reduction in  
10 KU's ECR revenue requirement of \$3.673 million and a reduction in LG&E's  
11 ECR revenue requirement of \$3.181 million (electric).

12

13 **Q. Have you quantified the effects of a 0.10% change in the return on common**  
14 **equity for each Company?**

15 A. Yes. For KU, each 0.1% return on equity equals \$3.499 million in revenue  
16 requirements. For LG&E, each 0.1% return on equity equals \$2.332 million  
17 (electric) and \$0.690 million (gas) in revenue requirements. These quantifications  
18 reflect the use of rate base, not capitalization, and all AG and KIUC  
19 recommended adjustments to rate base.

20

21

## VI. AMI RATEMAKING ISSUES

22

23 **Q. Briefly describe the Companies' ratemaking proposal to recover the costs of**

1           **their proposed AMI programs if, in fact, the Commission grants their**  
2           **requested CPCNs.**

3       A.     The Companies request CPCNs for their proposed AMI programs. However, the  
4           Companies have not included any of the costs of the AMI programs in their base  
5           revenue requirements. If the Commission does not grant the requested CPCNs,  
6           then the Companies will not incur the costs and their ratemaking proposals are  
7           irrelevant in these proceedings.

8                         However, if they are granted the CPCNs, the Companies have very  
9           specific accounting and ratemaking proposals for costs incurred and certain  
10          savings achieved during the implementation period and the ratemaking recovery  
11          of costs after the implementation period.<sup>76</sup>

12                        With respect to the accounting and ratemaking during the implementation  
13          period, the Companies propose to record certain construction costs, regulatory  
14          assets, and regulatory liabilities, but propose no ratemaking recovery.<sup>77</sup> More  
15          specifically, the Companies propose to capitalize the investment costs to CWIP  
16          and capitalize the financing costs during construction as AFUDC in lieu of CWIP  
17          in rate base.<sup>78</sup>

18                        In addition, the Companies propose to defer to regulatory assets certain  
19          costs during the AMI implementation period consisting of: (1) operating expenses  
20          associated with the project implementation, (2) the remaining net book value of

---

<sup>76</sup> The Companies' requested accounting during the implementation period is summarized and quantified on Exhibit KWB-1 attached to Kent Blake's Direct Testimony.

<sup>77</sup> Direct Testimony of Kent Blake at 9-18.

<sup>78</sup> *Id.*

1 electric meters replaced and retired as part of the AMI program, and (3) the  
2 difference between AFUDC accrued at the Companies weighted average cost of  
3 capital per Filing Requirement: Tab 63 – Sec 16(8) (j) Schedule J-1.1 and that  
4 calculated using a strict interpretation of the methodology approved by the  
5 Federal Energy Regulatory Commission (“FERC”).<sup>79</sup>

6 Further, the Companies propose to defer to a regulatory liability any  
7 savings in “actual meter reading and field service expenses” compared to the  
8 expenses included in the base revenue requirements in this proceeding.<sup>80</sup>

9 Finally, the Companies propose to address ratemaking recovery “after the  
10 project is implemented.”<sup>81</sup> Nevertheless, the Companies’ have calculated the  
11 annual revenue requirements of the AMI, excluding the effects of the proposed  
12 regulatory assets and regulatory liabilities revenue requirements, which assume  
13 that ratemaking recoveries will begin in July 2026 and recover the AMI costs over  
14 15 years.<sup>82</sup>

15

16 **Q. If the Commission grants the requested CPCNs, is the Companies’ proposed**  
17 **AFUDC approach in lieu of the rate base approach for the AMI CWIP**  
18 **reasonable?**

19 A. Yes. It is consistent with the AG and KIUC recommendation that I addressed in a  
20 prior section of my testimony to use the AFUDC approach in lieu of the rate base

---

<sup>79</sup> *Id.*

<sup>80</sup> Direct Testimony of Kent Blake at 9-18.

<sup>81</sup> *Id.*, 9-10

<sup>82</sup> Exhibit KWB-2 attached to Kent Blake’s Direct Testimony.

1 approach for all CWIP, not just the AMI CWIP.

2

3 **Q. If the Commission grants the requested CPCNs, then are the Companies’**  
4 **other accounting and ratemaking requests reasonable?**

5 A. Generally, yes, but with certain significant exceptions that must be addressed  
6 preemptively in these proceedings to ensure that *all* savings are captured in the  
7 regulatory liabilities. The most important exception is the fact that the revenue  
8 requirements on the existing AMR meters will continue to decline during the  
9 implementation period; however, these savings are not captured in the Company’s  
10 proposed accounting and ratemaking.

11 The Companies’ base revenue requirements include the AMR investment  
12 in rate base in the test year; however, the rate base will continue to decline as the  
13 AMR meters are depreciated after the end of the test year and then abandoned  
14 when they are retired. The Companies do not propose to capture this savings due  
15 to the decline in the return on component of the AMR meters after the end of the  
16 test year in the proposed regulatory liabilities. In other words, they plan to  
17 “retain” these savings. It also should be noted that the ADIT will increase as the  
18 AMR meters are retired because the remaining tax basis will be reflected as an  
19 abandonment loss or deduction for income tax purposes, thus reducing the rate  
20 base further. The failure to capture these savings is inequitable given the  
21 Companies’ proposals to capture all incremental increases in costs in their  
22 proposed regulatory assets.

1           In addition, the Companies will discontinue depreciation on the existing  
2           AMR meters when they are retired, thus, effectively “freezing” the net book value  
3           at the retirement dates even though they continue to recover the depreciation  
4           expense on the retired meters through their base revenues. The Companies do not  
5           propose to capture this savings due to the decline in the depreciation expense  
6           during the implementation period or the post-implementation period in the  
7           proposed regulatory liabilities. In other words, they also plan to “retain” these  
8           savings even though they neglected to mention this. The failure to capture these  
9           savings is inequitable given the Companies’ proposals to capture all increments in  
10          costs in their proposed regulatory assets, regardless of whether the exclusion of  
11          these savings was intentional or an oversight.

12           Finally, although I agree that the Companies should be allowed to  
13          reclassify the remaining net book value of the AMR meters to regulatory assets as  
14          they are retired, this should be tied to the recording of regulatory liabilities for the  
15          savings due to the decline in the revenue requirement to reflect the declining rate  
16          base and the cessation of depreciation expense that the Companies will continue  
17          to recover through their base revenues until base rates are reset in future base rate  
18          case proceedings.

19

20   **Q.   If the Commission grants the requested CPCNs and authorizes the**  
21   **Companies’ proposed accounting, as modified by your recommendations, are**  
22   **there any other safeguards that are necessary?**

1 A. Yes. The Commission should state that the costs incurred and the regulatory  
2 assets and liabilities are subject to review in a future ratemaking proceeding. In  
3 addition, the Commission should state that the estimated costs, both plant and  
4 regulatory assets, and the regulatory liabilities reflected on Exhibit KWB-1  
5 attached to Mr. Blake's Direct Testimony, should be considered a cap and a  
6 minimum, respectively, and direct the Companies to include the additional  
7 savings that I previously described in the regulatory liabilities until base rates are  
8 reset in a future base rate case proceeding.

9

## 10 VII. OFF-SYSTEM SALES MARGIN SHARING

11

12 **Q. Describe the origin and operation of the Off-System Sales Adjustment**  
13 **Clause.**

14 A. Historically, OSS margins were used to reduce the base revenue requirement. In  
15 July 2015, OSS margins were removed from the base revenue requirement, in  
16 accordance with Commission Orders in Case Nos. 2014-00371 and 2014-00372,  
17 adopting a term of the settlement agreements in those proceedings, and have been  
18 shared 75% to customers and 25% to the Companies since then. The allocations  
19 to customers are reflected in the OSSAC, which is offset against the Fuel  
20 Adjustment Clause rates.

21

22 **Q. What are the OSS margins forecast for the test year?**

1 A. They are relatively small. KU forecasts \$0.251 million and LG&E forecasts  
2 \$1.164 million.<sup>83</sup>

3

4 **Q. Do the Companies need an incentive to engage in OSS and maximize OSS**  
5 **margins?**

6 A. No. Such sales and the maximization of the margins are simply another element  
7 of the efficient operation of their systems and the minimization of fuel and  
8 purchased power expenses, 100% of which is recoverable through the FCA, with  
9 the limited exceptions for certain adjustments related to forced outages and  
10 purchase power capacity costs, which are included in the base revenue  
11 requirement.

12

13 **Q. Do you recommend a change to the Off-System Sales Adjustment Clause?**

14 A. Yes. I recommend an increase in the allocation to customers to 100% from the  
15 present 75%. Customers are allocated 100% of the fixed costs, variable non-fuel  
16 expenses, and fuel expenses incurred to generate the energy that is sold off-  
17 system to generate the OSS margins. It logically follows that customers should be  
18 allocated 100% of the OSS margins. The present allocations to customers of 75%  
19 were the result of settlements in prior base rate proceedings and are not justified  
20 or reasonable when considered on a standalone basis outside the compromises  
21 reflected in those settlements.

---

<sup>83</sup> Responses to AG-KIUC 1-49. I have attached a copy of these responses as my Exhibit\_\_\_(LK-30).

1           In addition, as regulated utilities, the Companies have an obligation to  
2           operate their systems efficiently and minimize fuel expense in exchange for  
3           guaranteed recovery of all prudent and reasonable fuel expenses through the FCA  
4           and base revenue requirements.

5           Further, there is no evidence that the present allocation to the Companies  
6           has incentivized them to make off-system sales that it otherwise could not or  
7           would not have made in the normal course of business.

8           Finally, in KPCo's most recent rate case the Commission eliminated OSS  
9           margin sharing and required that all OSS margins be allocated to ratepayers.

10

11   **Q.    Does this complete your testimony?**

12   A.    Yes.

**AFFIDAVIT**

STATE OF GEORGIA )

COUNTY OF FULTON )

LANE KOLLEN, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

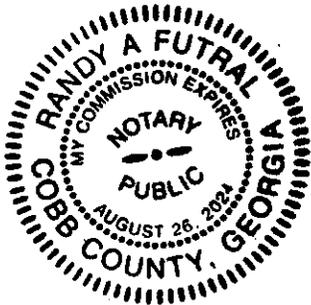


Lane Kollen

Sworn to and subscribed before me on this  
4th day of March 2021.



Notary Public



**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ) CASE NO. 2020-00349  
ADJUSTMENT OF ITS ELECTRIC RATES, A )  
CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO DEPLOY ADVANCED )  
METERING INFRASTRUCTURE, APPROVAL )  
OF CERTAIN REGULATORY AND )  
ACCOUNTING TREATMENTS, AND )  
ESTABLISHMENT OF A ONE-YEAR )  
SURCREDIT )**

**In the Matter of:**

**ELECTRONIC APPLICATION OF LOUISVILLE)  
GAS AND ELECTRIC COMPANY FOR AN ) CASE NO. 2020-00350  
ADJUSTMENT OF ITS ELECTRIC AND GAS )  
RATES, A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO DEPLOY )  
ADVANCED METERING INFRASTRUCTURE, )  
APPROVAL OF CERTAIN REGULATORY AND )  
ACCOUNTING TREATMENTS, AND )  
ESTABLISHMENT OF A ONE-YEAR )  
SURCREDIT )**

**EXHIBITS  
OF  
LANE KOLLEN**

**ON BEHALF OF THE  
OFFICE OF THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY  
AND KENTUCKY INDUSTRIAL UTILITY CUSTOMERS**

**J. KENNEDY AND ASSOCIATES, INC.  
ROSWELL, GEORGIA**

**MARCH 2021**

**EXHIBIT \_\_\_\_ (LK-1)**

## **RESUME OF LANE KOLLEN, VICE PRESIDENT**

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### **EDUCATION**

**University of Toledo, BBA**  
Accounting

**University of Toledo, MBA**

**Luther Rice University, MA**

### **PROFESSIONAL CERTIFICATIONS**

**Certified Public Accountant (CPA)**

**Certified Management Accountant (CMA)**

### **PROFESSIONAL AFFILIATIONS**

**American Institute of Certified Public Accountants**

**Georgia Society of Certified Public Accountants**

**Institute of Management Accountants**

**Society of Depreciation Professionals**

Mr. Kollen has more than forty years of utility industry experience in the financial, rate, tax, and planning areas. He specializes in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Mr. Kollen has expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### EXPERIENCE

**1986 to  
Present:**

**J. Kennedy and Associates, Inc.:** Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

**1983 to  
1986:**

**Energy Management Associates:** Lead Consultant.  
Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

**1976 to  
1983:**

**The Toledo Edison Company:** Planning Supervisor.  
Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.  
Construction project cancellations and write-offs.  
Construction project delays.  
Capacity swaps.  
Financing alternatives.  
Competitive pricing for off-system sales.  
Sale/leasebacks.

## RESUME OF LANE KOLLEN, VICE PRESIDENT

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### CLIENTS SERVED

#### Industrial Companies and Groups

Air Products and Chemicals, Inc.	Lehigh Valley Power Committee
Airco Industrial Gases	Maryland Industrial Group
Alcan Aluminum	Multiple Intervenors (New York)
Armco Advanced Materials Co.	National Southwire
Armco Steel	North Carolina Industrial
Bethlehem Steel	Energy Consumers
CF&I Steel, L.P.	Occidental Chemical Corporation
Climax Molybdenum Company	Ohio Energy Group
Connecticut Industrial Energy Consumers	Ohio Industrial Energy Consumers
ELCON	Ohio Manufacturers Association
Enron Gas Pipeline Company	Philadelphia Area Industrial Energy
Florida Industrial Power Users Group	Users Group
Gallatin Steel	PSI Industrial Group
General Electric Company	Smith Cogeneration
GPU Industrial Intervenors	Taconite Intervenors (Minnesota)
Indiana Industrial Group	West Penn Power Industrial Intervenors
Industrial Consumers for	West Virginia Energy Users Group
Fair Utility Rates - Indiana	Westvaco Corporation
Industrial Energy Consumers - Ohio	
Kentucky Industrial Utility Customers, Inc.	
Kimberly-Clark Company	

#### Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory  
Cities in AEP Texas Central Company's Service Territory  
Cities in AEP Texas North Company's Service Territory  
City of Austin  
Georgia Public Service Commission Staff  
Florida Office of Public Counsel  
Indiana Office of Utility Consumer Counsel  
Kentucky Office of Attorney General  
Louisiana Public Service Commission  
Louisiana Public Service Commission Staff  
Maine Office of Public Advocate  
New York City  
New York State Energy Office  
South Carolina Office of Regulatory Staff  
Texas Office of Public Utility Counsel  
Utah Office of Consumer Services

**RESUME OF LANE KOLLEN, VICE PRESIDENT**

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**Utilities**

Allegheny Power System  
Atlantic City Electric Company  
Carolina Power & Light Company  
Cleveland Electric Illuminating Company  
Delmarva Power & Light Company  
Duquesne Light Company  
General Public Utilities  
Georgia Power Company  
Middle South Services  
Nevada Power Company  
Niagara Mohawk Power Corporation

Otter Tail Power Company  
Pacific Gas & Electric Company  
Public Service Electric & Gas  
Public Service of Oklahoma  
Rochester Gas and Electric  
Savannah Electric & Power Company  
Seminole Electric Cooperative  
Southern California Edison  
Talquin Electric Cooperative  
Tampa Electric  
Texas Utilities  
Toledo Edison Company

**Expert Testimony Appearances  
of  
Lane Kollen  
As of March 2021**

<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E-SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC Rebuttal	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.
8/87	9885	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR-87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County, completion.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan.
5/88	M-87017-1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017-2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017-1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
7/88	M-87017-2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92.
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170-EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171-EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800-355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71).
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282 Phase II	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, phase-in of River Bend 1, recovery of canceled plant.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19 <sup>th</sup> Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenors	Niagara Mohawk Power Corp.	Incentive regulation.

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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231-E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	PUC Docket 10200	TX	Office of Public Utility Counsel of Texas	Texas-New Mexico Power Co.	Financial integrity, strategic planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
11/92	8469	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715-AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base.
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
3/93	93-01-EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission Staff	Gulf States Utilities /Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities /Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490, 92-490A, 90-360-C	KY	Kentucky Industrial Utility Customers and Kentucky Attorney General	Big Rivers Electric Corp.	Disallowances and restitution for excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
4/94	U-20647 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.

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<b>Date</b>	<b>Case</b>	<b>Jurisdct.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
9/94	U-19904 Initial Post-Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post-Merger Earnings Review (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95	U-21485 (Supplemental Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
12/95	U-21485 (Surrebuttal)				
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co., The Cleveland Electric Illuminating Co.	Competition, asset write-offs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC Docket 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
7/96	8725	MD	The Maryland Industrial Group and Redland Genstar, Inc.	Baltimore Gas & Electric Co., Potomac Electric Power Co., and Constellation Energy Corp.	Merger savings, tracking mechanism, earnings sharing plan, revenue requirement issues.
9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co., Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness.
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.

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<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenors	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	U-22491 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro- Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.

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<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735 Rebuttal	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.

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5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Request for accounting order regarding electric industry restructuring costs.
7/99	U-23358	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596 Surrebuttal	ME	Maine Office of Public Advocate	Bangor Hydro-Electric Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	PUC Docket 21527	TX	The Dallas-Fort Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.

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11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
04/00	99-1212-EL-ETP 99-1213-EL-ATA 99-1214-EL-AAM	OH	Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
05/00	99-1658-EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	PUC Docket 22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	SOAH Docket 473-00-1015 PUC Docket 22350	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008 P-00001838 R-00974009	PA	Metropolitan Edison Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, regulatory assets and liabilities, transaction costs.

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12/00	U-21453, U-20925, U-22092 (Subdocket C) Surrebuttal	LA	Louisiana Public Service Commission Staff	SWEPSCO	Stranded costs, regulatory assets.
01/01	U-24993 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, U-20925, U-22092 (Subdocket B) Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. 2000-386	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. 2000-439	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 A-110400F0040	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp.	Merger, savings, reliability.
03/01	P-00001860 P-00001861	PA	Met-Ed Industrial Users Group, Penelec Industrial Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Settlement Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.
05/01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, separations methodology.

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07/01	U-21453, U-20925, U-22092 (Subdocket B) Transmission and Distribution Term Sheet	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	PUC Docket 25230	TX	The Dallas-Fort Worth Hospital Council and the Coalition of Independent Colleges and Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Suppl. Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 U-22092 (Subdocket C)	LA	Louisiana Public Service Commission	SWEPCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01-88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.

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09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
06/03	EL01-88-000 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, ER03-583-001, ER03-583-002  ER03-681-000, ER03-681-001  ER03-682-000, ER03-682-001, ER03-682-002  ER03-744-000, ER03-744-001 (Consolidated)	FERC	Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Marketing, L.P, and Entergy Power, Inc.	Unit power purchases and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.

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03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post-test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459 PUC Docket 29206	TX	Cities Served by Texas- New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169-EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4555 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case Nos. 2004-00321, 2004-00372	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, et al.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.

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02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case Nos. 2004-00426, 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider, Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, maintenance normalization, pension and OPEB.
03/06	PUC Docket 31994	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change.
05/06	31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092 (Subdocket B)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.

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03/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow- through to ratepayers of excess deferred income taxes and investment tax credits on generation plant that is sold or deregulated.
04/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al.	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co., Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated program costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453, U-20925, U-22092 (Subdocket J)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
11/06	05CVH03-3375 Franklin County Court Affidavit	OH	Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 Subdocket A Reply Testimony	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	PUC Docket 33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	PUC Docket 33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental and Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts.
04/07	ER07-684-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Fuel hedging costs and compliance with FERC USOA.

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05/07	ER07-682-000 Supplemental Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC, Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post-test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company, Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199 deduction.
11/07	06-0033-E-CN Direct	WV	West Virginia Energy Users Group	Appalachian Power Company	IGCC surcharge during construction period and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	ER07-682-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.

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03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses, storm damage expense and reserves, tax NOL carrybacks in accounts, ADIT, nuclear service lives and effects on depreciation and decommissioning.
04/08	2007-00562, 2007-00563	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas and Electric Co.	Merger surcredit.
04/08	26837 Direct Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837 Suppl Rebuttal Bond, Johnson, Thebert, Kollen Panel	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, including costs recovered in existing rates, TIER.
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, including projected test year rate base and expenses.
07/08	27163 Taylor, Kollen Panel	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, pension expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
08/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.

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09/08	08-935-EL-SSO, 08-918-EL-SSO	OH	Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	08-917-EL-SSO	OH	Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-00564, 2007-00565, 2008-00251 2008-00252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Company	Revenue forecast, affiliate costs, ELG v ASL depreciation procedures, depreciation expenses, federal and state income tax expense, capitalization, cost of debt.
11/08	EL08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities, regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.
02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09	U-21453, U-20925 U-22092 (Sub J) Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	Rebuttal				
04/09	2009-00040 Direct-Interim (Oral)	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.

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04/09	PUC Docket 36530	TX	State Office of Administrative Hearings	Oncor Electric Delivery Company, LLC	Rate case expenses.
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct-Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.
07/09	080677-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure.
08/09	U-21453, U-20925, U-22092 (Subdocket J) Supplemental Rebuttal	LA	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
08/09	8516 and 29950	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Modification of PRP surcharge to include infrastructure costs.
09/09	05-UR-104 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company	Revenue requirements, incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt.
09/09	09AL-299E Answer	CO	CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company	Public Service Company of Colorado	Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation.
09/09	6680-UR-117 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Company	Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return.
10/09	09A-415E Answer	CO	Cripple Creek & Victor Gold Mining Company, et al.	Black Hills/CO Electric Utility Company	Cost prudence, cost sharing mechanism.
10/09	EL09-50 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
10/09	2009-00329	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Trimble County 2 depreciation rates.
12/09	PUE-2009-00030	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Return on equity incentive.

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12/09	ER09-1224 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	ER09-1224 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
01/10	EL09-50 Rebuttal  Supplemental Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.
02/10	ER09-1224 Final	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Hypothetical versus actual costs, out of period costs, Spindletop deferred capital costs, Waterford 3 sale/leaseback ADIT.
02/10	30442 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Revenue requirement issues.
02/10	30442 McBride-Kollen Panel	GA	Georgia Public Service Commission Staff	Atmos Energy Corporation	Affiliate/division transactions, cost allocation, capital structure.
02/10	2009-00353	KY	Kentucky Industrial Utility Customers, Inc.,  Attorney General	Louisville Gas and Electric Company, Kentucky Utilities Company	Ratemaking recovery of wind power purchased power agreements.
03/10	2009-00545	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Ratemaking recovery of wind power purchased power agreement.
03/10	E015/GR-09-1151	MN	Large Power Interveners	Minnesota Power	Revenue requirement issues, cost overruns on environmental retrofit project.
04/10	2009-00459	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Revenue requirement issues.
04/10	2009-00548, 2009-00549	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	Revenue requirement issues.
08/10	31647	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Revenue requirement and synergy savings issues.
08/10	31647 Wackerly-Kollen Panel	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Affiliate transaction and Customer First program issues.
08/10	2010-00204	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	PPL acquisition of E.ON U.S. (LG&E and KU) conditions, acquisition savings, sharing deferral mechanism.

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09/10	38339 Direct and Cross-Rebuttal	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Revenue requirement issues, including consolidated tax savings adjustment, incentive compensation FIN 48; AMS surcharge including roll-in to base rates; rate case expenses.
09/10	EL10-55	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
09/10	2010-00167	KY	Gallatin Steel	East Kentucky Power Cooperative, Inc.	Revenue requirements.
09/10	U-23327 Subdocket E Direct	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
11/10	U-23327 Rebuttal	LA	Louisiana Public Service Commission	SWEPCO	Fuel audit: S02 allowance expense, variable O&M expense, off-system sales margin sharing.
09/10	U-31351	LA	Louisiana Public Service Commission Staff	SWEPCO and Valley Electric Membership Cooperative	Sale of Valley assets to SWEPCO and dissolution of Valley.
10/10	10-1261-EL-UNC	OH	Ohio OCC, Ohio Manufacturers Association, Ohio Energy Group, Ohio Hospital Association, Appalachian Peace and Justice Network	Columbus Southern Power Company	Significantly excessive earnings test.
10/10	10-0713-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, Potomac Edison Power Company	Merger of First Energy and Allegheny Energy.
10/10	U-23327 Subdocket F Direct	LA	Louisiana Public Service Commission Staff	SWEPCO	AFUDC adjustments in Formula Rate Plan.
11/10	EL10-55 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Depreciation rates and expense input effects on System Agreement tariffs.
12/10	ER10-1350 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
01/11	ER10-1350 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy Operating Cos	Waterford 3 lease amortization, ADIT, and fuel inventory effects on System Agreement tariffs.
03/11	ER10-2001 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc., Entergy	EAI depreciation rates.
04/11	Cross-Answering			Arkansas, Inc.	

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04/11	U-23327 Subdocket E	LA	Louisiana Public Service Commission Staff	SWEPCO	Settlement, incl resolution of SO2 allowance expense, var O&M expense, sharing of OSS margins.
04/11	38306 Direct	TX	Cities Served by Texas- New Mexico Power Company	Texas-New Mexico Power Company	AMS deployment plan, AMS Surcharge, rate case expenses.
05/11	Suppl Direct				
05/11	11-0274-E-GI	WV	West Virginia Energy Users Group	Appalachian Power Company, Wheeling Power Company	Deferral recovery phase-in, construction surcharge.
05/11	2011-00036	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements.
06/11	29849	GA	Georgia Public Service Commission Staff	Georgia Power Company	Accounting issues related to Vogtle risk-sharing mechanism.
07/11	ER11-2161 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
07/11	PUE-2011-00027	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Return on equity performance incentive.
07/11	11-346-EL-SSO 11-348-EL-SSO 11-349-EL-AAM 11-350-EL-AAM	OH	Ohio Energy Group	AEP-OH	Equity Stabilization Incentive Plan; actual earned returns; ADIT offsets in riders.
08/11	U-23327 Subdocket F Rebuttal	LA	Louisiana Public Service Commission Staff	SWEPCO	Depreciation rates and service lives; AFUDC adjustments.
08/11	05-UR-105	WI	Wisconsin Industrial Energy Group	WE Energies, Inc.	Suspended amortization expenses; revenue requirements.
08/11	ER11-2161 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and Entergy Texas, Inc.	ETI depreciation rates; accounting issues.
09/11	PUC Docket 39504	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Investment tax credit, excess deferred income taxes; normalization.
09/11	2011-00161 2011-00162	KY	Kentucky Industrial Utility Consumers, Inc.	Louisville Gas & Electric Company, Kentucky Utilities Company	Environmental requirements and financing.
10/11	11-4571-EL-UNC 11-4572-EL-UNC	OH	Ohio Energy Group	Columbus Southern Power Company, Ohio Power Company	Significantly excessive earnings.
10/11	4220-UR-117 Direct	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.

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11/11	4220-UR-117 Surrebuttal	WI	Wisconsin Industrial Energy Group	Northern States Power-Wisconsin	Nuclear O&M, depreciation.
11/11	PUC Docket 39722	TX	Cities Served by AEP Texas Central Company	AEP Texas Central Company	Investment tax credit, excess deferred income taxes; normalization.
02/12	PUC Docket 40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Temporary rates.
03/12	11AL-947E Answer	CO	Climax Molybdenum Company and CF&I Steel, L.P. d/b/a Evraz Rocky Mountain Steel	Public Service Company of Colorado	Revenue requirements, including historic test year, future test year, CACJA CWIP, contra-AFUDC.
03/12	2011-00401	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Big Sandy 2 environmental retrofits and environmental surcharge recovery.
4/12	2011-00036 Direct Rehearing Supplemental Rebuttal Rehearing	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Rate case expenses, depreciation rates and expense.
04/12	10-2929-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, CRES capacity charges, Equity Stabilization Mechanism
05/12	11-346-EL-SSO 11-348-EL-SSO	OH	Ohio Energy Group	AEP Ohio Power	State compensation mechanism, Equity Stabilization Mechanism, Retail Stability Rider.
05/12	11-4393-EL-RDR	OH	Ohio Energy Group	Duke Energy Ohio, Inc.	Incentives for over-compliance on EE/PDR mandates.
06/12	40020	TX	Cities Served by Oncor	Lone Star Transmission, LLC	Revenue requirements, including ADIT, bonus depreciation and NOL, working capital, self insurance, depreciation rates, federal income tax expense.
07/12	120015-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Revenue requirements, including vegetation management, nuclear outage expense, cash working capital, CWIP in rate base.
07/12	2012-00063	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental retrofits, including environmental surcharge recovery.
09/12	05-UR-106	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Electric Power Company	Section 1603 grants, new solar facility, payroll expenses, cost of debt.
10/12	2012-00221 2012-00222	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Company, Kentucky Utilities Company	Revenue requirements, including off-system sales, outage maintenance, storm damage, injuries and damages, depreciation rates and expense.
10/12	120015-EI Direct	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.

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11/12	120015-EI Rebuttal	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Settlement issues.
10/12	40604	TX	Steering Committee of Cities Served by Oncor	Cross Texas Transmission, LLC	Policy and procedural issues, revenue requirements, including AFUDC, ADIT – bonus depreciation & NOL, incentive compensation, staffing, self-insurance, net salvage, depreciation rates and expense, income tax expense.
11/12	40627 Direct	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
12/12	40443	TX	Cities Served by SWEPCO	Southwestern Electric Power Company	Revenue requirements, including depreciation rates and service lives, O&M expenses, consolidated tax savings, CWIP in rate base, Turk plant costs.
12/12	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Termination of purchased power contracts between EGSL and ETI, Spindletop regulatory asset.
01/13	ER12-1384 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	Little Gypsy 3 cancellation costs.
02/13	40627 Rebuttal	TX	City of Austin d/b/a Austin Energy	City of Austin d/b/a Austin Energy	Rate case expenses.
03/13	12-426-EL-SSO	OH	The Ohio Energy Group	The Dayton Power and Light Company	Capacity charges under state compensation mechanism, Service Stability Rider, Switching Tracker.
04/13	12-2400-EL-UNC	OH	The Ohio Energy Group	Duke Energy Ohio, Inc.	Capacity charges under state compensation mechanism, deferrals, rider to recover deferrals.
04/13	2012-00578	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Resource plan, including acquisition of interest in Mitchell plant.
05/13	2012-00535	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.
06/13	12-3254-EL-UNC	OH	The Ohio Energy Group, Inc.,  Office of the Ohio Consumers' Counsel	Ohio Power Company	Energy auctions under CBP, including reserve prices.
07/13	2013-00144	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Biomass renewable energy purchase agreement.
07/13	2013-00221	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Hawesville Smelter market access.
10/13	2013-00199	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Revenue requirements, excess capacity, restructuring.

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12/13	2013-00413	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Agreements to provide Century Sebree Smelter market access.
01/14	ER10-1350 Direct and Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 lease accounting and treatment in annual bandwidth filings.
02/14	U-32981	LA	Louisiana Public Service Commission	Entergy Louisiana, LLC	Montauk renewable energy PPA.
04/14	ER13-432 Direct	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
05/14	PUE-2013-00132	VA	HP Hood LLC	Shenandoah Valley Electric Cooperative	Market based rate; load control tariffs.
07/14	PUE-2014-00033	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting, change in FAC Definitional Framework.
08/14	ER13-432 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC	UP Settlement benefits and damages.
08/14	2014-00134	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Requirements power sales agreements with Nebraska entities.
09/14	E-015/CN-12-1163 Direct	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class cost allocation.
10/14	2014-00225	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Allocation of fuel costs to off-system sales.
10/14	ER13-1508	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy service agreements and tariffs for affiliate power purchases and sales; return on equity.
10/14	14-0702-E-42T 14-0701-E-D	WV	West Virginia Energy Users Group	First Energy-Monongahela Power, Potomac Edison	Consolidated tax savings; payroll; pension, OPEB, amortization; depreciation; environmental surcharge.
11/14	E-015/CN-12-1163 Surrebuttal	MN	Large Power Intervenors	Minnesota Power	Great Northern Transmission Line; cost cap; AFUDC v. current recovery; rider v. base recovery; class allocation.
11/14	05-376-EL-UNC	OH	Ohio Energy Group	Ohio Power Company	Refund of IGCC CWIP financing cost recoveries.
11/14	14AL-0660E	CO	Climax, CF&I Steel	Public Service Company of Colorado	Historic test year v. future test year; AFUDC v. current return; CACJA rider, transmission rider; equivalent availability rider; ADIT; depreciation; royalty income; amortization.
12/14	EL14-026	SD	Black Hills Industrial Intervenors	Black Hills Power Company	Revenue requirement issues, including depreciation expense and affiliate charges.

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12/14	14-1152-E-42T	WV	West Virginia Energy Users Group	AEP-Appalachian Power Company	Income taxes, payroll, pension, OPEB, deferred costs and write offs, depreciation rates, environmental projects surcharge.
01/15	9400-YO-100 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
01/15	14F-0336EG 14F-0404EG	CO	Development Recovery Company LLC	Public Service Company of Colorado	Line extension policies and refunds.
02/15	9400-YO-100 Rebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Energy Corporation	WEC acquisition of Integrys Energy Group, Inc.
03/15	2014-00396	KY	Kentucky Industrial Utility Customers, Inc.	AEP-Kentucky Power Company	Base, Big Sandy 2 retirement rider, environmental surcharge, and Big Sandy 1 operation rider revenue requirements, depreciation rates, financing, deferrals.
03/15	2014-00371 2014-00372	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company and Louisville Gas and Electric Company	Revenue requirements, staffing and payroll, depreciation rates.
04/15	2014-00450	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	AEP-Kentucky Power Company	Allocation of fuel costs between native load and off-system sales.
04/15	2014-00455	KY	Kentucky Industrial Utility Customers, Inc. and the Attorney General of the Commonwealth of Kentucky	Big Rivers Electric Corporation	Allocation of fuel costs between native load and off-system sales.
04/15	ER2014-0370	MO	Midwest Energy Consumers' Group	Kansas City Power & Light Company	Affiliate transactions, operation and maintenance expense, management audit.
05/15	PUE-2015-00022	VA	Virginia Committee for Fair Utility Rates	Virginia Electric and Power Company	Fuel and purchased power hedge accounting; change in FAC Definitional Framework.
05/15	EL10-65 Direct, 09/15 Rebuttal Complaint	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Accounting for AFUDC Debt, related ADIT.
07/15	EL10-65 Direct and Answering Consolidated Bandwidth Dockets	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback ADIT, Bandwidth Formula.
09/15	14-1693-EL-RDR	OH	Public Utilities Commission of Ohio	Ohio Energy Group	PPA rider for charges or credits for physical hedges against market.

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12/15	45188	TX	Cities Served by Oncor Electric Delivery Company	Oncor Electric Delivery Company	Hunt family acquisition of Oncor; transaction structure; income tax savings from real estate investment trust (REIT) structure; conditions.
12/15	6680-CE-176	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Need for capacity and economics of proposed Riverside Energy Center Expansion project; ratemaking conditions.
01/16	Direct, Surrebuttal, Supplemental Rebuttal				
03/16	EL01-88 Remand	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Bandwidth Formula: Capital structure, fuel inventory, Waterford 3 sale/leaseback, Vidalia purchased power, ADIT, Blythesville, Spindletop, River Bend AFUDC, property insurance reserve, nuclear depreciation expense.
03/16	Direct				
04/16	Answering				
05/16	Cross-Answering				
06/16	Rebuttal				
03/16	15-1673-E-T	WV	West Virginia Energy Users Group	Appalachian Power Company	Terms and conditions of utility service for commercial and industrial customers, including security deposits.
04/16	39971 Panel Direct	GA	Georgia Public Service Commission Staff	Southern Company, AGL Resources, Georgia Power Company, Atlanta Gas Light Company	Southern Company acquisition of AGL Resources, risks, opportunities, quantification of savings, ratemaking implications, conditions, settlement.
04/16	2015-00343	KY	Office of the Attorney General	Atmos Energy Corporation	Revenue requirements, including NOL ADIT, affiliate transactions.
04/16	2016-00070	KY	Office of the Attorney General	Atmos Energy Corporation	R & D Rider.
05/16	2016-00026 2016-00027	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co., Louisville Gas & Electric Co.	Need for environmental projects, calculation of environmental surcharge rider.
05/16	16-G-0058 16-G-0059	NY	New York City	Keyspan Gas East Corp., Brooklyn Union Gas Company	Depreciation, including excess reserves, leak prone pipe.
06/16	160088-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Fuel Adjustment Clause Incentive Mechanism re: economy sales and purchases, asset optimization.
07/16	160021-EI	FL	South Florida Hospital and Healthcare Association	Florida Power and Light Company	Revenue requirements, including capital recovery, depreciation, ADIT.
07/16	16-057-01	UT	Office of Consumer Services	Dominion Resources, Inc. / Questar Corporation	Merger, risks, harms, benefits, accounting.
08/16	15-1022-EL-UNC 16-1105-EL-UNC	OH	Ohio Energy Group	AEP Ohio Power Company	SEET earnings, effects of other pending proceedings.

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9/16	2016-00162	KY	Office of the Attorney General	Columbia Gas Kentucky	Revenue requirements, O&M expense, depreciation, affiliate transactions.
09/16	E-22 Sub 519, 532, 533	NC	Nucor Steel	Dominion North Carolina Power Company	Revenue requirements, deferrals and amortizations.
09/16	15-1256-G-390P (Reopened) 16-0922-G-390P	WV	West Virginia Energy Users Group	Mountaineer Gas Company	Infrastructure rider, including NOL ADIT and other income tax normalization and calculation issues.
10/16	10-2929-EL-UNC 11-346-EL-SSO 11-348-EL-SSO 11-349-EL-SSO 11-350-EL-SSO 14-1186-EL-RDR	OH	Ohio Energy Group	AEP Ohio Power Company	State compensation mechanism, capacity cost, Retail Stability Rider deferrals, refunds, SEET.
11/16	16-0395-EL-SSO Direct	OH	Ohio Energy Group	Dayton Power & Light Company	Credit support and other riders; financial stability of Utility, holding company.
12/16	Formal Case 1139	DC	Healthcare Council of the National Capital Area	Potomac Electric Power Company	Post test year adjust, merger costs, NOL ADIT, incentive compensation, rent.
01/17	46238	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company	Next Era acquisition of Oncor; goodwill, transaction costs, transition costs, cost deferrals, ratemaking issues.
02/17	16-0395-EL-SSO Direct (Stipulation)	OH	Ohio Energy Group	Dayton Power & Light Company	Non-unanimous stipulation re: credit support and other riders; financial stability of utility, holding company.
02/17	45414	TX	Cities of Midland, McAllen, and Colorado City	Sharyland Utilities, LP, Sharyland Distribution & Transmission Services, LLC	Income taxes, depreciation, deferred costs, affiliate expenses.
03/17	2016-00370 2016-00371	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas and Electric Company	AMS, capital expenditures, maintenance expense, amortization expense, depreciation rates and expense.
06/17	29849 (Panel with Philip Hayet)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics.
08/17	17-0296-E-PC	WV	West Virginia Energy Users Group	Monongahela Power Company, The Potomac Edison Power Company	ADIT, OPEB.
10/17	2017-00179	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Weather normalization, Rockport lease, O&M, incentive compensation, depreciation, income taxes.

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10/17	2017-00287	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corporation	Fuel cost allocation to native load customers.
12/17	2017-00321	KY	Attorney General	Duke Energy Kentucky (Electric)	Revenues, depreciation, income taxes, O&M, regulatory assets, environmental surcharge rider, FERC transmission cost reconciliation rider.
12/17	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 economics, tax abandonment loss.
01/18	2017-00349	KY	Kentucky Attorney General	Atmos Energy Kentucky	O&M expense, depreciation, regulatory assets and amortization, Annual Review Mechanism, Pipeline Replacement Program and Rider, affiliate expenses.
06/18	18-0047	OH	Ohio Energy Group	Ohio Electric Utilities	Tax Cuts and Jobs Act. Reduction in income tax expense; amortization of excess ADIT.
07/18	T-34695	LA	LPSC Staff	Crimson Gulf, LLC	Revenues, depreciation, income taxes, O&M, ADIT.
08/18	48325	TX	Cities Served by Oncor	Oncor Electric Delivery Company	Tax Cuts and Jobs Act; amortization of excess ADIT.
08/18	48401	TX	Cities Served by TNMP	Texas-New Mexico Power Company	Revenues, payroll, income taxes, amortization of excess ADIT, capital structure.
08/18	2018-00146	KY	KIUC	Big Rivers Electric Corporation	Station Two contracts termination, regulatory asset, regulatory liability for savings
09/18	20170235-EI	FL	Office of Public Counsel	Florida Power & Light Company	FP&L acquisition of City of Vero Beach municipal electric utility systems.
10/18	20170236-EU Direct Supplemental Direct				
09/18	2017-370-E	SC	Office of Regulatory Staff	South Carolina Electric & Gas Company and Dominion Energy, Inc.	Recovery of Summer 2 and 3 new nuclear development costs, related regulatory liabilities, securitization, NOL carryforward and ADIT, TCJA savings, merger conditions and savings.
10/18	2017-207, 305, 370-E Surrebuttal Supplemental Surrebuttal				
12/18	2018-00261	KY	Attorney General	Duke Energy Kentucky (Gas)	Revenues, O&M, regulatory assets, payroll, integrity management, incentive compensation, cash working capital.
01/19	2018-00294 2018-00295	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Company, Louisville Gas & Electric Company	AFUDC v. CWIP in rate base, transmission and distribution plant additions, capitalization, revenues generation outage expense, depreciation rates and expenses, cost of debt.

**Expert Testimony Appearances  
of  
Lane Kollen  
As of March 2021**

<b>Date</b>	<b>Case</b>	<b>Jurisdic.</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
01/19	2018-00281	KY	Attorney General	Atmos Energy Corp.	AFUDC v. CWIP in rate base, ALG v. ELG depreciation rates, cash working capital, PRP Rider, forecast plant additions, forecast expenses, cost of debt, corporate cost allocation.
02/19 04/19	UD-18-17 Direct Surrebuttal and Cross-Answering	New Orleans	Crescent City Power Users Group	Entergy New Orleans, LLC	Post-test year adjustments, storm reserve fund, NOL ADIT, FIN48 ADIT, cash working capital, depreciation, amortization, capital structure, formula rate plans, purchased power rider.
03/19	2018-0358	KY	Attorney General	Kentucky American Water Company	Capital expenditures, cash working capital, payroll expense, incentive compensation, chemicals expense, electricity expense, water losses, rate case expense, excess deferred income taxes.
03/19	48929	TX	Steering Committee of Cities Served by Oncor	Oncor Electric Delivery Company LLC, Sempra Energy, Sharyland Distribution & Transmission Services, L.L.C., Sharyland Utilities, L.P.	Sale, transfer, merger transactions, hold harmless and other regulatory conditions.
06/19	49421	TX	Gulf Coast Coalition of Cities	CenterPoint Energy Houston Electric	Prepaid pension asset, accrued OPEB liability, regulatory assets and liabilities, merger savings, storm damage expense, excess deferred income taxes.
07/19	49494	TX	Cities Served by AEP Texas	AEP Texas, Inc.	Plant in service, prepaid pension asset, O&M, ROW costs, incentive compensation, self-insurance expense, excess deferred income taxes.
08/19	19-G-0309 19-G-0310	NY	New York City	National Grid	Depreciation rates, net negative salvage.
10/19	42315	GA	Atlanta Gas Light Company	Public Interest Advocacy Staff	Capital expenditures, O&M expense, prepaid pension asset, incentive compensation, merger savings, affiliate expenses, excess deferred income taxes.
10/19	45253	IN	Duke Energy Indiana	Office of Utility Consumer Counselor	Prepaid pension asset, inventories, regulatory assets and liabilities, unbilled revenues, incentive compensation, income tax expense, affiliate charges, ADIT, riders.
12/19	2019-00271	KY	Attorney General	Duke Energy Kentucky	ADIT, EDIT, CWC, payroll expense, incentive compensation expense, depreciation rates, pilot programs
05/20	202000067-EI	FL	Office of Public Counsel	Tampa Electric Company	Storm Protection Plan.
06/20	20190038-EI	FL	Office of Public Counsel	Gulf Power Company	Hurricane Michael costs.

**Expert Testimony Appearances  
of  
Lane Kollen  
As of March 2021**

<b>Date</b>	<b>Case</b>	<b>Jurisdiction</b>	<b>Party</b>	<b>Utility</b>	<b>Subject</b>
07/20 09/20	PUR-2020-00015 Direct Surrebuttal	VA	Old Dominion Committee for Fair Utility Rates	Appalachian Power Company	Coal Amortization Rider, storm damage, prepaid pension and OPEB assets, return on joint-use assets.
07/20 09/20	2019-226-E Direct Surrebuttal	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Integrated Resource Plan.
10/20	2020-00160	KY	Attorney General	Water Service Corporation of Kentucky	Return on rate base v. operating ratio.
10/20	2020-00174	KY	Attorney General and Kentucky Industrial Utility Customers, Inc.	Kentucky Power Company	Rate base v. capitalization, Rockport UPA, prepaid pension and OPEB, cash working capital, incentive compensation, Rockport 2 depreciation expense, EDIT, AML, grid modernization rider.
11/20 12/20	2020-125-E Direct Surrebuttal	SC	Office of Regulatory Staff	Dominion Energy South Carolina	Summer 2 and 3 cancelled plant and transmission cost recovery; TCJA; regulatory assets.
12/20	2020172-EI	FL	Office of Public Counsel	Florida Power & Light Company	Hurricane Dorian costs.
12/20	29849 (Panel with Philip Hayet, Tom Newsome)	GA	Georgia Public Service Commission Staff	Georgia Power Company	Vogtle 3 and 4 rate impact analyses.
02/21	2019-224-E 2019-225-E	SC	Office of Regulatory Staff	Duke Energy Carolinas, LLC, Duke Energy Progress, LLC	Integrated Resource Plans.

**EXHIBIT \_\_\_\_ (LK-2)**

**Kentucky Utilities Company Coal Units**  
**Current and Requested Depreciation Rates and Related Expense**  
**Sourced From 2020 Depreciation Study**

	Gross Plant In Service as of 6/30/2020	Book Depr Reserve 6/30/2020	NBV at 6/30/2020	Net Salvage Percentage 2020 Study	Net Salvage Costs Added	NBV and Net Salvage at 6/30/2020	Current Depr Rate	Requested Depr Rate	Annual Depreciation Expense Current Depr Rates	Annual Depreciation Expense Requested Depr Rates
<b>Coal Units</b>										
<b>Brown Unit 3 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	29,535,742	(16,392,923)	13,142,819	-4%	1,181,430	14,324,249	3.17%	6.10%	936,283	1,801,680
Acct 311 - Structures and Improvements-Scrubber	45,553,347	(17,738,141)	27,815,206	-4%	1,822,134	29,637,340	4.54%	8.16%	2,068,122	3,717,153
Acct 312 - Boiler Plant Equipment	475,691,478	(112,434,187)	363,257,291	-4%	19,027,659	382,284,950	5.19%	10.22%	24,688,388	48,615,669
Acct 312 - Boiler Plant Equipment-Scrubber	335,830,028	(110,279,694)	225,550,334	-4%	13,433,201	238,983,535	4.92%	9.03%	16,522,837	30,325,452
Acct 314 - Turbogenerator Units	51,368,471	(10,926,704)	40,441,767	-4%	2,054,739	42,496,506	5.29%	10.60%	2,717,392	5,445,058
Acct 315 - Accessory Electric Equipment	16,028,996	(7,224,123)	8,804,873	-4%	641,160	9,446,033	3.74%	7.41%	599,484	1,187,749
Acct 315 - Accessory Electric Equipment-Scrubber	29,324,457	(10,389,867)	18,934,590	-4%	1,172,978	20,107,568	4.75%	8.57%	1,392,912	2,513,106
Acct 316 - Miscellaneous Power Plant Equipment	7,055,460	(3,561,568)	3,493,892	-4%	282,218	3,776,110	3.36%	6.81%	237,063	480,477
Total - All Accounts	990,387,979	(288,947,207)	701,440,772		39,615,519	741,056,291			49,162,482	94,086,343
									4.96%	9.50%
<b>Ghent Unit 1 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	22,056,975	(10,737,142)	11,319,833	-7%	1,543,988	12,863,821	1.68%	4.24%	370,557	935,216
Acct 311 - Structures and Improvements-Scrubber	8,491,199	(6,589,785)	1,901,414	-7%	594,384	2,495,798	1.14%	2.12%	96,800	180,013
Acct 312 - Boiler Plant Equipment	369,600,397	(124,256,311)	245,344,086	-7%	25,872,028	271,216,114	4.83%	5.41%	17,851,699	19,995,381
Acct 312 - Boiler Plant Equipment-Scrubber	140,930,831	(71,240,328)	69,690,503	-7%	9,865,158	79,555,661	4.16%	4.15%	5,862,723	5,848,629
Acct 314 - Turbogenerator Units	43,274,490	(24,793,360)	18,481,130	-7%	3,029,214	21,510,344	3.34%	3.72%	1,445,368	1,609,811
Acct 315 - Accessory Electric Equipment	13,719,113	(8,795,425)	4,923,688	-7%	960,338	5,884,026	2.37%	3.11%	325,143	426,664
Acct 315 - Accessory Electric Equipment-Scrubber	12,223,380	(6,951,331)	5,272,049	-7%	855,637	6,127,686	3.69%	3.59%	451,043	438,819
Acct 316 - Miscellaneous Power Plant Equipment	1,749,101	(1,623,519)	125,582	-7%	122,437	248,019	1.06%	1.06%	18,540	18,540
Acct 316 - Miscellaneous Power Plant Equipment-Scrubber	962,012	(927,221)	34,791	-7%	67,341	102,132	0.90%	0.79%	8,658	7,600
Total - All Accounts	613,007,498	(255,914,422)	357,093,076		42,910,525	400,003,601			26,430,531	29,460,675
									4.31%	4.81%
<b>Ghent Unit 2 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	17,043,479	(9,583,870)	7,459,609	-7%	1,193,044	8,652,653	1.31%	3.70%	223,270	630,609
Acct 311 - Structures and Improvements-Scrubber	15,622,910	(11,673,583)	3,949,327	-7%	1,093,604	5,042,931	1.16%	2.34%	181,226	365,576
Acct 312 - Boiler Plant Equipment	279,599,048	(86,888,301)	192,710,747	-7%	19,571,933	212,282,680	5.10%	5.62%	14,259,551	15,713,466
Acct 312 - Boiler Plant Equipment-Scrubber	71,576,384	(65,165,290)	6,411,094	-7%	5,010,347	11,421,441	1.19%	1.17%	851,759	837,444
Acct 314 - Turbogenerator Units	37,337,160	(21,733,856)	15,603,304	-7%	2,613,601	18,216,905	2.62%	3.70%	978,234	1,381,475
Acct 315 - Accessory Electric Equipment	21,943,434	(11,522,428)	10,421,006	-7%	1,536,040	11,957,046	1.66%	3.94%	364,261	864,571
Acct 315 - Accessory Electric Equipment-Scrubber	951,199	(383,184)	568,015	-7%	66,584	634,599	4.85%	4.77%	46,133	45,372
Acct 316 - Miscellaneous Power Plant Equipment	1,586,837	(1,468,488)	118,349	-7%	111,079	229,428	0.89%	1.08%	14,123	17,138
Total - All Accounts	445,660,451	(208,419,000)	237,241,451		31,196,232	268,437,683			16,918,556	19,855,651
									3.80%	4.46%
<b>Ghent Unit 3 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	52,344,491	(32,350,874)	19,993,617	-7%	3,664,114	23,657,731	2.15%	2.71%	1,125,407	1,418,536
Acct 312 - Boiler Plant Equipment	446,413,638	(198,136,005)	248,277,633	-7%	31,248,955	279,526,588	3.54%	3.86%	15,803,043	17,231,566
Acct 312 - Boiler Plant Equipment-Scrubber	120,240,145	(47,910,875)	72,329,270	-7%	8,416,810	80,746,080	3.99%	4.11%	4,797,582	4,941,870
Acct 314 - Turbogenerator Units	52,603,067	(23,815,317)	28,787,750	-7%	3,682,215	32,469,965	2.12%	3.87%	1,115,185	2,035,739
Acct 315 - Accessory Electric Equipment	33,509,060	(26,572,938)	6,936,122	-7%	2,345,634	9,281,756	1.73%	1.69%	579,707	566,303
Acct 315 - Accessory Electric Equipment-Scrubber	12,041,998	(5,575,078)	6,466,920	-7%	842,940	7,309,860	3.66%	3.58%	440,737	431,104
Acct 316 - Miscellaneous Power Plant Equipment	3,760,163	(2,827,966)	932,197	-7%	263,211	1,195,408	2.17%	1.98%	81,596	74,451
Total - All Accounts	720,912,562	(337,189,053)	383,723,509		50,463,879	434,187,388			23,943,256	26,699,569
									3.32%	3.70%

**Kentucky Utilities Company Coal Units  
Current and Requested Depreciation Rates and Related Expense  
Sourced From 2020 Depreciation Study**

	Gross Plant In Service as of 6/30/2020	Book Depr Reserve 6/30/2020	NBV at 6/30/2020	Net Salvage Percentage 2020 Study	Net Salvage Costs Added	NBV and Net Salvage at 6/30/2020	Current Depr Rate	Requested Depr Rate	Annual Depreciation Expense Current Depr Rates	Annual Depreciation Expense Requested Depr Rates
<b>Ghent Unit 4 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	47,120,498	(18,031,143)	29,089,355	-7%	3,298,435	32,387,790	3.44%	4.09%	1,620,945	1,927,228
Acct 312 - Boiler Plant Equipment	935,918,755	(213,147,201)	722,771,554	-7%	65,514,313	788,285,867	4.35%	5.14%	40,712,466	48,106,224
Acct 312 - Boiler Plant Equipment-Scrubber	255,524,660	(111,014,196)	144,510,464	-7%	17,886,726	162,397,190	3.57%	3.87%	9,122,230	9,888,804
Acct 314 - Turbogenerator Units	59,246,410	(37,713,454)	21,532,956	-7%	4,147,249	25,680,205	2.64%	2.75%	1,564,105	1,629,276
Acct 315 - Accessory Electric Equipment	52,634,602	(22,253,545)	30,381,057	-7%	3,684,422	34,065,479	3.56%	3.85%	1,873,792	2,026,432
Acct 315 - Accessory Electric Equipment-Scrubber	15,148,042	(5,031,760)	10,116,282	-7%	1,060,363	11,176,645	4.15%	4.35%	628,644	658,940
Acct 316 - Miscellaneous Power Plant Equipment	13,277,146	(4,623,857)	8,653,289	-7%	929,400	9,582,689	3.53%	4.40%	468,683	584,194
<b>Total - All Accounts</b>	<b>1,378,870,113</b>	<b>(411,815,156)</b>	<b>967,054,957</b>		<b>96,520,908</b>	<b>1,063,575,865</b>			<b>55,990,865</b>	<b>64,821,099</b>
									4.06%	4.70%
<b>Trimble County Unit 2 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	96,921,494	(21,944,531)	74,976,963	-13%	12,599,794	87,576,757	1.81%	2.06%	1,754,279	1,996,583
Acct 311 - Structures and Improvements-Scrubber	5,781,870	(3,419,962)	2,361,908	-13%	751,643	3,113,551	1.21%	1.26%	69,961	72,852
Acct 312 - Boiler Plant Equipment	685,667,781	(129,987,925)	555,679,856	-13%	89,136,812	644,816,668	2.17%	2.34%	14,878,991	16,044,626
Acct 312 - Boiler Plant Equipment-Scrubber	73,202,110	(23,493,665)	49,708,445	-13%	9,516,274	59,224,719	1.96%	2.04%	1,434,761	1,493,323
Acct 314 - Turbogenerator Units	92,095,706	(23,537,987)	68,557,719	-13%	11,972,442	80,530,161	2.14%	2.26%	1,970,848	2,081,363
Acct 315 - Accessory Electric Equipment	46,199,255	(11,452,971)	34,746,284	-13%	6,005,903	40,752,187	1.99%	2.03%	919,365	937,845
Acct 315 - Accessory Electric Equipment-Scrubber	1,415,469	(848,756)	566,713	-13%	184,011	750,724	1.42%	1.41%	20,100	19,958
Acct 316 - Miscellaneous Power Plant Equipment	7,631,764	(1,065,766)	6,565,998	-13%	992,129	7,558,127	2.26%	2.41%	172,478	183,926
<b>Total - All Accounts</b>	<b>1,008,915,449</b>	<b>(215,751,563)</b>	<b>793,163,886</b>		<b>131,159,008</b>	<b>924,322,894</b>			<b>21,220,783</b>	<b>22,830,475</b>
									2.10%	2.26%
<b>Total - All Coal Plants</b>	<b>5,157,754,052</b>	<b>(1,718,036,401)</b>	<b>3,439,717,651</b>		<b>391,866,071</b>	<b>3,831,583,722</b>			<b>193,666,473</b>	<b>257,753,813</b>
<b>Items Not Counted From Depreciation Study</b>										
Acct 311 - Tribble County Training Center	1,284,344	(32,559)	1,251,785	-5%	64,217	1,316,002				
Acct 311 - System Lab	1,177,261	(773,273)	403,988	-1%	11,773	415,761				
Acct 311 - Retired Plant	2,153,262	(2,368,588)	(215,326)	0%	-	-				
Acct 312 - Ash Ponds	78,788,906	(72,190,989)	6,597,917	0%	-	6,597,917				
Acct 316 - System Lab	4,048,518	(1,190,089)	2,858,429	-1%	40,485	2,898,914				
Brown 1 and 2 Still on Schedule	20,266,927	(21,077,604)	(810,677)	-4%	-	-				
<b>Total Coal for Check</b>	<b>5,265,473,270</b>	<b>(1,815,669,503)</b>	<b>3,449,803,767</b>		<b>391,982,546</b>	<b>3,842,812,316</b>				
<b>KU Table 1 Coal Total</b>	<b>5,265,473,270</b>	<b>(1,815,669,503)</b>	<b>3,449,803,767</b>			<b>3,842,812,314</b>				
Variance	-	-	-			2			Rounding	

**Louisville Gas and Electric Company Coal Units**  
**Current and Requested Depreciation Rates and Related Expense**  
**Sourced From 2020 Depreciation Study**

	Plant In Service as of 6/30/2020	Book Depr Reserve 6/30/2020	NBV at 6/30/2020	Net Salvage Percentage 2020 Study	Net Salvage Costs Added	NBV and Net Salvage at 6/30/2020	Current Depr Rate	Requested Depr Rate	Annual Depreciation Expense Current Depr Rates	Annual Depreciation Expense Requested Depr Rates
<b>Coal Units</b>										
<b>Mill Creek Unit 1</b>										
Acct 311 - Structures and Improvements	18,754,074	(17,220,582)	1,533,492	-7%	1,312,785	2,846,277	1.76%	3.40%	330,072	637,639
Acct 311 - Structures and Improvements-Scrubber	-	-	-	-7%	-	-			-	-
Acct 312 - Boiler Plant Equipment	184,942,674	(58,284,730)	126,657,944	-7%	12,945,987	139,603,931	6.15%	17.02%	11,373,974	31,477,243
Acct 312 - Boiler Plant Equipment-Scrubber	16,811,977	(9,504,810)	7,307,167	-7%	1,176,838	8,484,005	3.67%	11.42%	617,000	1,919,928
Acct 314 - Turbogenerator Units	27,258,907	(12,185,078)	15,073,829	-7%	1,908,123	16,981,952	4.76%	14.04%	1,297,524	3,827,151
Acct 315 - Accessory Electric Equipment	18,109,189	(12,367,099)	5,742,090	-7%	1,267,643	7,009,733	3.31%	8.67%	599,414	1,570,067
Acct 315 - Accessory Electric Equipment-Scrubber	202,167	(36,884)	165,283	-7%	14,152	179,435	0.07%	19.99%	142	40,413
Acct 316 - Miscellaneous Power Plant Equipment	719,268	(511,529)	207,739	-7%	50,349	258,088	4.23%	8.49%	30,425	61,066
Total - All Accounts	266,798,256	(110,110,712)	156,687,544		18,675,878	175,363,422			14,248,550	39,533,506
									5.34%	14.82%
<b>Mill Creek Unit 2 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	19,795,540	(10,207,821)	9,587,719	-7%	1,385,688	10,973,407	2.31%	6.98%	457,277	1,381,729
Acct 311 - Structures and Improvements-Scrubber	465	(498)	(33)	-7%	33	(0)			-	-
Acct 312 - Boiler Plant Equipment	212,884,171	(44,545,536)	168,338,635	-7%	14,901,892	183,240,527	6.27%	11.05%	13,347,838	23,523,701
Acct 312 - Boiler Plant Equipment-Scrubber	113,357,088	(12,857,330)	100,499,758	-7%	7,934,996	108,434,754	6.78%	12.23%	7,685,611	13,863,572
Acct 314 - Turbogenerator Units	31,310,218	(12,895,686)	18,414,532	-7%	2,191,715	20,606,247	4.22%	8.41%	1,321,291	2,633,189
Acct 315 - Accessory Electric Equipment	13,365,294	(5,912,668)	7,452,626	-7%	935,571	8,388,197	3.77%	7.93%	503,872	1,059,868
Acct 315 - Accessory Electric Equipment-Scrubber	5,652,402	(872,534)	4,779,868	-7%	395,668	5,175,536	4.97%	11.47%	280,924	648,331
Acct 316 - Miscellaneous Power Plant Equipment	74,668	(25,237)	49,431	-7%	5,227	54,658	3.18%	9.29%	2,374	6,937
Acct 316 - Miscellaneous Power Plant Equipment-Scrubber	-	-	-	-7%	-	-			-	-
Total - All Accounts	396,439,846	(87,317,310)	309,122,536		27,750,789	336,873,325			23,599,187	43,117,326
									5.95%	10.88%
<b>Mill Creek Unit 3 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	27,065,033	(20,500,404)	6,564,629	-7%	1,894,552	8,459,181	1.83%	1.68%	495,290	454,693
Acct 311 - Structures and Improvements-Scrubber	135,376	(144,853)	(9,477)	-7%	9,476	(1)			-	-
Acct 312 - Boiler Plant Equipment	315,305,719	(81,467,868)	233,837,851	-7%	22,071,400	255,909,251	4.47%	4.58%	14,094,166	14,441,002
Acct 312 - Boiler Plant Equipment-Scrubber	149,926,264	(13,435,495)	136,490,769	-7%	10,494,838	146,985,607	5.54%	5.46%	8,305,915	8,185,974
Acct 314 - Turbogenerator Units	40,689,104	(19,513,757)	21,175,347	-7%	2,848,237	24,023,584	2.63%	3.27%	1,070,123	1,330,534
Acct 315 - Accessory Electric Equipment	26,922,251	(14,642,746)	12,279,505	-7%	1,884,558	14,164,063	2.89%	2.83%	778,053	761,900
Acct 315 - Accessory Electric Equipment-Scrubber	1,088,905	(1,136,341)	(47,436)	-7%	76,223	28,787	4.75%	0.15%	51,723	1,633
Acct 316 - Miscellaneous Power Plant Equipment	770,586	(318,387)	452,199	-7%	53,941	506,140	0.77%	3.57%	5,934	27,510
Total - All Accounts	561,903,238	(151,159,851)	410,743,387		39,333,227	450,076,614			24,801,204	25,203,245
									4.41%	4.49%
<b>Mill Creek Unit 4 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	72,486,970	(42,437,364)	30,049,606	-7%	5,074,088	35,123,694	2.21%	2.60%	1,601,962	1,884,661
Acct 311 - Structures and Improvements-Scrubber	2,476,548	(2,295,887)	180,661	-7%	173,358	354,019	2.80%	0.77%	69,343	19,069
Acct 312 - Boiler Plant Equipment	750,135,463	(153,552,408)	596,583,055	-7%	52,509,482	649,092,537	3.61%	4.86%	27,079,890	36,456,584
Acct 312 - Boiler Plant Equipment-Scrubber	195,689,043	(25,457,009)	170,232,034	-7%	13,698,233	183,930,267	4.47%	5.28%	8,747,300	10,332,381
Acct 314 - Turbogenerator Units	57,615,792	(25,907,523)	31,708,269	-7%	4,033,105	35,741,374	2.88%	3.46%	1,659,335	1,993,506
Acct 315 - Accessory Electric Equipment	33,383,302	(18,964,792)	14,418,510	-7%	2,336,831	16,755,341	2.16%	2.74%	721,079	914,702
Acct 315 - Accessory Electric Equipment-Scrubber	8,052,008	(586,418)	7,465,590	-7%	563,641	8,029,231	3.15%	5.29%	253,638	425,951
Acct 316 - Miscellaneous Power Plant Equipment	11,951,532	(4,161,773)	7,789,759	-7%	836,607	8,626,366	3.47%	4.13%	414,718	493,598
Acct 316 - Miscellaneous Power Plant Equipment-Scrubber	43,212	(44,422)	(1,210)	-7%	3,025	1,815	0.04%	0.23%	17	99
Total - All Accounts	1,131,833,870	(273,407,596)	858,426,274		79,228,371	937,654,645			40,547,284	52,520,553
									3.58%	4.64%

**Louisville Gas and Electric Company Coal Units**  
**Current and Requested Depreciation Rates and Related Expense**  
**Sourced From 2020 Depreciation Study**

	Plant In Service as of 6/30/2020	Book Depr Reserve 6/30/2020	NBV at 6/30/2020	Net Salvage Percentage 2020 Study	Net Salvage Costs Added	NBV and Net Salvage at 6/30/2020	Current Depr Rate	Requested Depr Rate	Annual Depreciation Expense Current Depr Rates	Annual Depreciation Expense Requested Depr Rates
<b>Trimble County Unit 1 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	107,923,783	(66,792,233)	41,131,550	-11%	11,871,616	53,003,166	1.68%	2.03%	1,813,120	2,190,853
Acct 311 - Structures and Improvements-Scrubber	889,015	(157,715)	731,300	-11%	97,792	829,092	3.57%	3.79%	31,738	33,694
Acct 312 - Boiler Plant Equipment	325,309,086	(92,670,973)	232,638,113	-11%	35,783,999	268,422,112	3.02%	3.69%	9,824,334	12,003,905
Acct 312 - Boiler Plant Equipment-Scrubber	68,153,675	(30,812,888)	37,340,787	-11%	7,496,904	44,837,691	2.31%	3.02%	1,574,350	2,058,241
Acct 314 - Turbogenerator Units	59,116,131	(30,913,793)	28,202,338	-11%	6,502,774	34,705,112	2.17%	2.58%	1,282,820	1,525,196
Acct 315 - Accessory Electric Equipment	65,490,512	(32,377,733)	33,112,779	-11%	7,203,956	40,316,735	2.26%	2.58%	1,480,086	1,689,655
Acct 315 - Accessory Electric Equipment-Scrubber	2,736,920	(2,460,753)	276,167	-11%	301,061	577,228	0.92%	0.91%	25,180	24,906
Acct 316 - Miscellaneous Power Plant Equipment	3,201,189	(1,799,746)	1,401,443	-11%	352,131	1,753,574	2.59%	2.86%	82,911	91,554
<b>Total - All Accounts</b>	<b>632,820,311</b>	<b>(257,985,834)</b>	<b>374,834,477</b>		<b>69,610,234</b>	<b>444,444,711</b>			<b>16,114,538</b>	<b>19,618,004</b>
									2.55%	3.10%
<b>Trimble County Unit 2 - Including Scrubber</b>										
Acct 311 - Structures and Improvements	18,610,043	(3,207,677)	15,402,366	-11%	2,047,105	17,449,471	2.16%	2.12%	401,977	394,533
Acct 311 - Structures and Improvements-Scrubber	252,621	(18,405)	234,216	-11%	27,788	262,004	2.25%	2.33%	5,684	5,886
Acct 312 - Boiler Plant Equipment	286,919,491	(28,314,449)	258,605,042	-11%	31,561,144	290,166,186	2.39%	2.62%	6,857,376	7,517,291
Acct 312 - Boiler Plant Equipment-Scrubber	15,352,428	(3,948,518)	11,403,910	-11%	1,688,767	13,092,677	2.33%	2.26%	357,712	346,965
Acct 314 - Turbogenerator Units	22,692,471	(5,292,482)	17,399,989	-11%	2,496,172	19,896,161	2.21%	2.22%	501,504	503,773
Acct 315 - Accessory Electric Equipment	11,108,163	(2,103,255)	9,004,908	-11%	1,221,898	10,226,806	2.21%	2.12%	245,490	235,493
Acct 315 - Accessory Electric Equipment-Scrubber	-	-	-	-11%	-	-			-	-
Acct 316 - Miscellaneous Power Plant Equipment	4,082,818	(421,769)	3,661,049	-11%	449,110	4,110,159	2.69%	2.85%	109,828	116,360
<b>Total - All Accounts</b>	<b>359,018,035</b>	<b>(43,306,555)</b>	<b>315,711,480</b>		<b>39,491,984</b>	<b>355,203,464</b>			<b>8,479,570</b>	<b>9,120,301</b>
									2.36%	2.54%
<b>Total - All Coal Plants</b>	<b>3,348,813,556</b>	<b>(923,287,858)</b>	<b>2,425,525,698</b>		<b>274,090,483</b>	<b>2,699,616,181</b>			<b>127,790,332</b>	<b>189,112,935</b>
<b>Items Not Counted</b>										
Acct 311 - Riverport Distribution Center	5,354,917	(493,155)	4,861,762	-30%	1,606,475	6,468,237				
Acct 311 - Trimble County Training Center	745,719	(21,047)	724,672	-5%	37,286	761,958				
Acct 311 - Retired Plant	8,282,800	(9,111,079)	(828,279)	0%	-	-				
Acct 312 - Ash Ponds	10,315,356	(9,635,960)	679,396	0%	-	679,396				
Acct 316 - Riverport and Distribution Center	1,930,485	(128,442)	1,802,043	-5%	96,524	1,898,567				
Brown 1 and 2 Still on Schedule	-	-	-	-4%	-	-				
<b>Total Coal for Check</b>	<b>3,375,442,833</b>	<b>(942,677,541)</b>	<b>2,432,765,292</b>		<b>275,830,768</b>	<b>2,709,424,339</b>				
LG&E Table 1 Coal Total	3,375,442,833	(942,677,541)	2,432,765,292			2,709,424,335				
Variance	-	-	-			4				Rounding

**EXHIBIT \_\_\_\_ (LK-3)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 18**

**Responding Witness: Christopher M. Garrett**

Q-18. Refer to the LG&E/KU 2021 Operating Plan Generation at p 4. With respect to the following power plants, please identify the cost to decommission/demolish those plants and explain how the costs were or are being recovered in rates: Paddy's Run Coal Plant (2017); Green River Coal Plant (February 2020); Pineville Coal Plant (2019); Tyrone Coal Plant (July 2020); Cane Run Coal Plant (completion expected 3rd quarter 2020); and Canal Station (completion expected 4th quarter 2021).

A-18. The costs to decommission/demolish the KU coal plants are as follows:

<b>Demolition of Retired Coal Plants</b>	<b>\$M</b>
Green River	\$12.8
Pineville	\$6.9
Tyrone	\$12.0

See the response to LG&E Question No. 18 for LG&E plants.

Costs are being recovered through rates following the accounting treatment described in the response to Question No. 19(c).

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 18**

**Responding Witness: Christopher M. Garrett**

Q-18. Refer to the LG&E/KU 2021 Operating Plan Generation at p. 4. With respect to the following power plants, please identify the cost to decommission/demolish those plants and explain how the costs were or are being recovered in rates: Paddy's Run Coal Plant (2017); Green River Coal Plant (February 2020); Pineville Coal Plant (2019); Tyrone Coal Plant (July 2020); Cane Run Coal Plant (completion expected 3rd quarter 2020); and Canal Station (completion expected 4th quarter 2021).

A-18. The costs to decommission/demolish the LG&E coal plants are as follows:

<b>Demolition of Retired Coal Plants</b>	<b>\$M</b>
Paddy's Run	\$23.0
Cane Run	\$37.3
Canal	\$11.7

See the response to KU Question No. 18 for KU plants.

Costs are being recovered through rates following the accounting treatment described in the response to Question No. 19(c).

**EXHIBIT \_\_\_\_ (LK-4)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 7**

**Responding Witness: Christopher M. Garrett / John J. Spanos**

- Q-7. Confirm that the Company does not maintain subaccounts for each generating unit by plant account for accumulated depreciation in its accounting records.
- a. If this is not correct, then please provide a detailed description of the Company's accounting by generating unit and plant account for accumulated depreciation and the subaccounts that are used for this purpose. Provide a copy of all written documentation of the Company's accounting and all related procedures and guidelines.
  - b. Provide a detailed description of all allocations or reallocations of the accumulated depreciation reserve in whole or part among generating units and plant accounts by Mr. Spanos or by the Company for use by Mr. Spanos in his depreciation study in this proceeding. In your response, address how the demolition costs for Tyrone, Green River, Pineville, Cane Run, and Canal, as discussed by Mr. Bellar in his direct testimony at 16-17, were allocated or reallocated to the accumulated depreciation reserve in whole or part among other operating generating units and plant accounts.
  - c. To the extent that there was an allocation or reallocation of the accumulated depreciation reserves in whole or part among generating units and plant accounts reflected in the depreciation study in this proceeding, provide: i) a detailed narrative explanation as to why such an allocation was necessary, ii) a detailed description of the methodology used for this purpose, iii) a detailed explanation as to why the methodology used for this purpose was selected and applied in the depreciation studies filed in these proceedings, and iv) all reasons why this methodology is reasonable.
  - d. Provide a detailed description of all allocations or reallocations of the accumulated depreciation reserve in whole or part among generating units and plant accounts by Mr. Spanos or by the Company for use by Mr. Spanos in his depreciation study in the Company's last base rate proceeding.
  - e. To the extent that there was an allocation or reallocation of the accumulated depreciation reserves in whole or part among generating units and plant

accounts reflected in the depreciation study in the Company's last base rate proceeding, provide: i) a detailed narrative explanation as to why such an allocation was necessary, ii) a detailed description of the methodology used for this purpose, iii) a detailed explanation as to why the methodology used for this purpose was selected and applied in the depreciation studies filed in these proceedings, and iv) all reasons why this methodology is reasonable.

A-7.

- a. Yes, the Company does maintain separate subaccounts for each plant location within its fixed asset system. However, this simply represents an allocation of the total steam reserve to the location level based on the life and salvage parameters as well as the age of the surviving plant balance. Per Title 18, Subchapter C – Accounts, Federal Power Act, Part 101 – Uniform System of Accounts prescribed for Public Utilities, account 108, accumulated provision for depreciation of utility plant shall be regarded and treated as a single composite provision for depreciation, but shall be segregated by functional classification. Further detail by plant account is not required but is calculated for ease of reporting. See Accounting Policy 653, *Depreciation of Property, Plant & Equipment Policy and Procedures* included in the attachment provided in response to PSC 1-30.
- b. The accumulated depreciation reflected in the depreciation calculation as of June 30, 2020 did not include allocations or reallocations of the accumulated depreciation recorded by Kentucky Utilities. There were a number of reserve reassignments as of June 30, 2020. Those reassignments were provided in response to DOD-FEA-Q-1-7 KU in the attachment titled “2020 DOD-FEA DR1 KU Attachment to Q7.xlsx”. The accumulated depreciation reserve reassignments represented in the attachment contain adjustments made to more appropriately align the recovery of the assets' costs to their service lives during which the assets are used and useful. The accumulated depreciation recorded by Kentucky Utilities Company and the reassignments within FERC Account 311, Structures and Improvements, also included reserve reassignments associated with the demolition costs discussed by Mr. Bellar in his direct testimony at 16-17. The demolition costs associated with the Green River, Pineville and Tyrone generating facilities were recorded to accumulated depreciation as cost of removal as they were incurred. The accumulated depreciation related to the retired generating facilities was calculated to achieve a fully depreciated level. Any remaining accumulated depreciation or deficient accumulated depreciation associated with the generating units were reassigned to the Ghent and Trimble County generating facilities to be recovered over the remaining life of those assets.
- c. The reassignment of accumulated depreciation associated with the cost of removal of the Green River, Pineville and Tyrone generating facilities were necessary to allow for recovery of the demolition costs associated with

generating facilities that are no longer in service. The Ghent and Trimble County generating units were selected to receive the reassignment of these costs of removal as they are scheduled to remain in service in excess of 15 years which allows for the longest period of recovery of the costs and better matches the recovery of remaining service value of all generating units. This methodology was used to better match the theoretical reserve to the actual reserve based on the known parameters of all generating units including the recovery of the demolition costs associated with generating facilities recently retired as well as those still in service. This methodology reduces the overall depreciation impact on ratepayers.

- d. Similar reassignments of accumulated depreciation were made in the Company's last rate base proceeding for the same reasons.
- e. See the responses to part c. and part d.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 7**

**Responding Witness: Christopher M. Garrett / John J. Spanos**

- Q-7. Confirm that the Company does not maintain subaccounts for each generating unit by plant account for accumulated depreciation in its accounting records.
- a. If this is not correct, then please provide a detailed description of the Company's accounting by generating unit and plant account for accumulated depreciation and the subaccounts that are used for this purpose. Provide a copy of all written documentation of the Company's accounting and all related procedures and guidelines.
  - b. Provide a detailed description of all allocations or reallocations of the accumulated depreciation reserve in whole or part among generating units and plant accounts by Mr. Spanos or by the Company for use by Mr. Spanos in his depreciation study in this proceeding. In your response, address how the demolition costs for Tyrone, Green River, Pineville, Cane Run, and Canal, as discussed by Mr. Bellar in his direct testimony at 16-17, were allocated or reallocated to the accumulated depreciation reserve in whole or part among other operating generating units and plant accounts.
  - c. To the extent that there was an allocation or reallocation of the accumulated depreciation reserves in whole or part among generating units and plant accounts reflected in the depreciation study in this proceeding, provide: i) a detailed narrative explanation as to why such an allocation was necessary, ii) a detailed description of the methodology used for this purpose, iii) a detailed explanation as to why the methodology used for this purpose was selected and applied in the depreciation studies filed in these proceedings, and iv) all reasons why this methodology is reasonable.
  - d. Provide a detailed description of all allocations or reallocations of the accumulated depreciation reserve in whole or part among generating units and plant accounts by Mr. Spanos or by the Company for use by Mr. Spanos in his depreciation study in the Company's last base rate proceeding.
  - e. To the extent that there was an allocation or reallocation of the accumulated depreciation reserves in whole or part among generating units and plant

accounts reflected in the depreciation study in the Company's last base rate proceeding, provide: i) a detailed narrative explanation as to why such an allocation was necessary, ii) a detailed description of the methodology used for this purpose, iii) a detailed explanation as to why the methodology used for this purpose was selected and applied in the depreciation studies filed in these proceedings, and iv) all reasons why this methodology is reasonable.

A-7.

- a. Yes, the Company does maintain separate subaccounts for each plant location within its fixed asset system. However, this simply represents an allocation of the total steam reserve to the location level based on the life and salvage parameters as well as the age of the surviving plant balance. Per Title 18, Subchapter C – Accounts, Federal Power Act, Part 101 – Uniform System of Accounts prescribed for Public Utilities, account 108, accumulated provision for depreciation of utility plant shall be regarded and treated as a single composite provision for depreciation, but shall be segregated by functional classification. Further detail by plant account is not required, but is calculated for ease of reporting. See Accounting Policy 653, *Depreciation of Property, Plant & Equipment Policy and Procedures* included in the attachment provided in response to PSC 1-30.
- b. The accumulated depreciation reflected in the depreciation calculation as of June 30, 2020 did not include allocations or reallocations of the accumulated depreciation recorded by Louisville Gas and Electric Company. There were a number of reserve reassignments as of June 30, 2020. Those reassignments were provided in response to DOD-FEA-Q-1-7 LGE in the attachments titled “2020 DOD-FEA DR1 LGE Attachment to Q7 – Att 1 Electric.xlsx”, “2020 DOD-FEA DR1 LGE Attachment to Q7 – Att 2 Gas.xlsx” and “2020 DOD-FEA DR1 LGE Attachment to Q7 – Att 3 Common.xlsx”. The accumulated depreciation reserve reassignments represented in the attachments contain reassignments made to more appropriately align the recovery of the assets' costs to their service lives during which the assets are used and useful. The accumulated depreciation recorded by Louisville Gas and Electric Company and the reassignments within FERC Account 311, Structures and Improvements, also included reserve reassignments associated with the demolition costs discussed by Mr. Bellar in his direct testimony at 16-17. The demolition costs associated with the Cane Run generating facility were recorded to accumulated depreciation as cost of removal as they were incurred. The accumulated depreciation related to the retired generating facility was calculated to achieve a fully depreciated level. Any remaining accumulated depreciation or deficient accumulated depreciation associated with the generating units were reassigned to the Mill Creek and Trimble County generating facilities to be recovered over the remaining life of those assets. The demolition costs for Canal will be charged to Mill Creek and will be addressed in the next depreciation study.

- c. The reassignment of accumulated depreciation associated with the cost of removal of the Cane Run generating facility was necessary to allow for recovery of the demolition costs associated with generating facilities that are no longer in service. The Mill Creek and Trimble County generating units were selected to receive the reassignment of these costs of removal as they are scheduled to remain in service in excess of 15 years which allows for a longest period of recovery of the costs and better matches the recovery of remaining service value of all generating units. This methodology was used to better match the theoretical reserve to the actual reserve based on the known parameters of all generating units including the recovery of the demolition costs associated with generating facilities recently retired as well as those still in service. This methodology reduces the overall depreciation impact on ratepayers.
- d. Similar reassignments of accumulated depreciation were made in the Company's last rate base proceeding for the same reasons.
- e. See the responses to part c. and part d.

**EXHIBIT \_\_\_\_ (LK-5)**

## Kentucky Regulatory Asset Securitization – Bill Summary

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### **Purpose and Scope:**

- Provides a financing mechanism to reduce the cost to customers of an electric utility's recovery of Commission approved regulatory assets. The utility receives the full value of its regulatory asset up-front, plus a share of the financing savings.

### **How Securitization Works:**

- Allows utilities to issue highly-rated securities through special purpose, bankruptcy-remote entities.
- Property with a dependable cash flow is transferred by the sponsor to a special purpose entity through a "true sale."
- The transferred property is then pledged by the special purpose entity to secure the payment of debt service on the bonds that the special purpose entity issues.
- Creates a separate and independent credit based on the risk associated with the cash flows from the pledged property that supports the payment of principal and interest to investors.
- As a result, securitized debt instruments do not burden the assets or revenues of the sponsoring utility and instead are payable solely from the pledged property.
- Ratepayers are solely responsible for payment.
- Securitization transactions are made possible by specific enabling state legislation that has established a legal framework for the creation of a new type of intangible property right under state law.
- Upon closing of the securitization financing, the utility receives the full payment of its regulatory asset balance.
- Securitization debt, if consolidated on utility's balance sheet, is ignored for credit rating purposes.

### **Benefits:**

- Significant savings occur when ratepayer-backed bonds are used to replace the conventional utility debt and equity financing reflected in its weighted average costs of capital carrying charge.
- The cost of debt is much lower than equity and the cost of securitization debt is lower than the cost of traditional long-term debt.
- Provides a levelized cost structure similar to annuitized mortgage.
- Will provide shared savings for both customers and investor-owned electric utilities. Utility to receive the full value of its regulatory asset up-front, plus a share of the financing savings over the period of time necessary to pay off the securitized debt.
- Promotes economic development and job growth and retention by lowering the costs of paying off regulatory assets.

### **Securitization Legislation:**

- Allows investor owned utilities to apply to the Kentucky Public Service Commission to issue an irrevocable financing order authorizing the issuance of regulatory asset compliance bonds, the charging and collection of regulatory asset compliance charges, and the creation of regulatory asset compliance property.
- Outlines the findings the Commission must make in its financing order.
- Permits the imposition of a non-bypassable charge on ratepayers.
- Provides for a periodic adjustment mechanism that will adjust the charge automatically, as necessary, to ensure timely payment of the regulatory asset compliance bonds.
- Authorizes the Kentucky Public Service Commission to retain an independent consultant to advise it with costs recovered from ratepayers.
- Includes a state pledge to never interfere with the bondholders' rights to collect payment.
- Regulatory asset compliance bonds will not constitute public debt.

**EXHIBIT \_\_\_\_ (LK-6)**

**KENTUCKY UTILITIES COMPANY**

**Reconciliation of Capitalization and Rate Base**

Line No.	Description	13 Month Average Total Company Balance	13 Month Average Kentucky Jurisdictional	13 Month Average Other Jurisdictional
1	Rate Base Percentage (Schedule J-1.1/J-1.2)		93.60%	6.40%
2	Capitalization:			
3	Common Equity	\$ 3,316,136,256		
4	Long-Term Debt	2,806,177,780		
5	Short-Term Debt	107,025,432		
6	Subtotal	<u>\$ 6,229,339,467</u>	<u>\$ 5,830,661,741</u>	<u>\$ 398,677,726</u>
7	Adjustments to Capitalization:			
8	Investment in EEI	(323,302)	(302,611)	(20,691)
9	Investment in OVEC and Other	(931,648)	(872,023)	(59,625)
10	ADIT Proration Adjustment	(1,158,784)	(1,084,622)	(74,162)
11	AMI Adjustment	(420,539)	(393,625)	(26,914)
12	Environmental Compliance Plans		(580,126,507)	-
13	Demand Side Management Plans		(2,840,422)	-
14	AMI Rate Base		(9,291,496)	-
15	Subtotal	<u>(2,834,273)</u>	<u>(594,911,304)</u>	<u>(181,393)</u>
16				
17	Total Adjusted Capitalization (Schedule J-1.1/J-1.2)	<u>\$ 6,226,505,194</u>	<u>\$ 5,235,750,437</u>	<u>\$ 398,496,333</u>
18				
19	Assets per books not included in rate base:			
20	Net ARO Assets		(40,595,732)	
21	Other Property and Investments	(15,478,673)	(14,488,038)	(990,635)
22	Cash and Temporary Investments	(5,057,530)	(4,733,848)	(323,682)
23	Accounts Receivable	(165,800,081)	(155,188,875)	(10,611,205)
24	Other Current Assets	(87,545,417)	(81,942,510)	(5,602,907)
25	Deferred Regulatory Assets	(144,988,895)	(135,709,606)	(9,279,289)
26	Other Deferred Debits	(32,284,516)	(30,218,307)	(2,066,209)
27	Subtotal	<u>(451,155,112)</u>	<u>(462,876,917)</u>	<u>(28,873,927)</u>
28				
29	Liabilities per books not included in rate base:			
30	Other Deferred Credits	-	-	-
31	Regulatory Liabilities	646,325,425	604,960,597	41,364,827
32	ARO Liabilities	85,344,734	79,882,671	5,462,063
33	Other Current Liabilities	223,922,458	209,591,421	14,331,037
34	Miscellaneous Long-Term Liabilities	12,880,491	12,056,139	824,351
35	Accumulated Deferred Income Taxes	(577,182,731)	(540,243,036)	(36,939,695)
36	Subtotal	<u>391,290,377</u>	<u>366,247,792</u>	<u>25,042,584</u>
37				
38	Items not included in rate base:			
39	Environmental Compliance Cash Working Capital		(144,218)	-
40				
41	Items included in rate base:			
42	Cash Working Capital (Income Statement)	62,925,698	56,328,517	6,741,399
43	Capitalization / Rate Base Allocation Differences	-	2,526,414	(2,526,414)
44	Subtotal	<u>62,925,698</u>	<u>58,854,931</u>	<u>4,214,985</u>
45				
46	Total Reconciliation	<u>3,060,962</u>	<u>(37,918,411)</u>	<u>383,642</u>
47				
48	Total Rate Base (Schedule B-1)	<u>\$ 6,229,566,156</u>	<u>\$ 5,197,832,025</u>	<u>\$ 398,879,975</u>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Reconciliation of Capitalization and Rate Base**

Line No.	Description	13 Month Average Total Company Balance	13 Month Average Electric	13 Month Average Gas
1	Rate Base Percentage (Schedule J-1.1/J-1.2)		78.09%	21.91%
2	Capitalization:			
3	Common Equity	\$ 2,671,366,147		
4	Long-Term Debt	2,287,339,121		
5	Short-Term Debt	63,909,974		
6	Subtotal	\$ 5,022,615,242	\$ 3,922,160,242	\$ 1,100,455,000
7	Adjustments to Capitalization:			
8	Trimble County Inventories		(6,378,444)	-
9	Investment in OVEC and Other		(1,210,500)	-
10	Environmental Compliance Plans		(468,896,965)	-
11	Demand Side Management Plans		(2,401,195)	-
12	Investment Tax Credits		31,885,814	338
13	Gas Line Tracker		-	(36,323,418)
14	Remove AMI		(6,385,762)	(2,434,740)
15	ADIT Proration		(1,500,757)	108,915
16	Subtotal	-	(454,887,808)	(38,648,905)
17				
18	Total Adjusted Capitalization (Schedule J-1.1/J-1.2)	\$ 5,022,615,242	\$ 3,467,272,434	\$ 1,061,806,095
19				
20	Assets per books not included in rate base:			
21	Net ARO Assets		(12,648,290)	(18,777,012)
22	Other Property and Investments	(27,680,017)	(20,331,442)	(5,708,652)
23	Cash and Temporary Investments	(5,024,790)	(3,923,859)	(1,100,931)
24	Accounts Receivable	(159,956,050)	(124,909,680)	(35,046,371)
25	Other Current Assets	(72,769,224)	(56,825,487)	(15,943,737)
26	Deferred Regulatory Assets	(139,885,387)	(109,236,499)	(30,648,888)
27	Other Deferred Debits	869,942	679,338	190,604
28	Subtotal	(404,445,526)	(327,195,918)	(107,034,987)
29				
30	Liabilities per books not included in rate base:			
31	Other Deferred Credits	31,586,640	(233,889)	(65,623)
32	Regulatory Liabilities	554,409,790	432,938,605	121,471,185
33	ARO Liabilities	62,166,478	48,545,802	13,620,675
34	Other Current Liabilities	257,635,211	201,187,337	56,447,875
35	Miscellaneous Long-Term Liabilities	9,398,816	7,339,535	2,059,280
36	Accumulated Provision for Pension & Postretirement	1,668,887	1,303,233	365,653
37	Accumulated Deferred Income Taxes	(501,211,301)	(389,895,149)	(109,924,311)
38	Subtotal	415,654,520	301,185,474	83,974,735
39				
40	Items not included in rate base:			
41	Environmental Compliance Cash Working Capital		(402,018)	
42				
43	Items included in rate base:			
44	Cash Working Capital (Income Statement)	32,419,960	30,978,269	1,843,709
45	Capitalization / Rate Base Allocation Differences	-	(11,760,425)	11,760,425
46	Subtotal	32,419,960	19,217,844	13,604,134
47				
48	Total Reconciliation	43,628,953	(7,194,618)	(9,456,118)
49				
50	Total Rate Base (Schedule B-1)	\$ 5,066,244,195	\$ 3,460,077,817	\$ 1,052,349,977

**EXHIBIT \_\_\_\_ (LK-7)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC**

**Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 54**

**Responding Witness: Christopher M. Garrett**

- Q-54. Refer to Schedule B-5.2, page 5 of 6, which provides the 13 month average amounts of Additional Sources and Uses of Cash Working Capital in Rate Base for each Company.
- a. Provide a detailed schedule of all amounts included in the per books amount of Cash Working Capital in the accounts listed on this schedule by subaccount for each month in 2020, during the base year, for the months March 2021 through June 2021, and during the test year. Be sure to provide the subaccount description and amounts for each of the per books sub accounts.
  - b. Provide a description of the prepaid pension in account 128. Confirm that the amount in this account is simply the excess of the pension trust fund assets over the accumulated pension obligation.
  - c. Provide all support for the prepaid pension in account 128, including a copy of the actuarial report relied on for this purpose, if any, and the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
  - d. Provide a description of the Regulatory Asset – FAS 158 Pension in account 182.
  - e. Provide all support for the Regulatory Asset – FAS 158 Pension, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
  - f. Explain why the Companies forecast a balance in account 184 Pension Clearing instead of \$0, especially given the Companies' forecast of pension expense in the test year.
  - g. Provide a description of the accumulated provision for postretirement benefits in account 228.3. Confirm that the amount in this account is simply the excess of the accumulated OPEB obligation over the OPEB trust fund assets.

- h. Provide all support for the accumulated provision for postretirement benefits in account 228.3, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
- i. Provide a description of the Regulatory Liability - Postretirement in account 254.
- j. Provide all support for the Regulatory Liability - Postretirement, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
- k. Explain why there is no OPEB clearing account similar to that for pension clearing in account 184.
- l. Confirm that it is the Companies' practice not to include regulatory assets in rate base, except for the requested Regulatory Asset – FAS 158 Pension shown on this schedule. If this is confirmed, then describe the basis for this practice. Cite to Commission orders to the extent relied on for this purpose.
- m. Confirm that it is the Companies' practice not to include regulatory liabilities in rate base, except for the requested Regulatory Liability – Postretirement shown on this schedule. If this is confirmed, then describe the basis for this practice. Cite to Commission orders to the extent relied on for this purpose.

A-54.

- a. See attached.
- b. The prepaid pension in account 128 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted prepaid pension. The balance represents an excess of pension trust fund assets allocated to KU over PBO. The forecast was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted pension service cost, interest cost, and estimated return on assets as well as forecasted pension contributions.
- c. See attached, page 1.
- d. The Regulatory Asset – FAS 158 Pension in account 182 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted pension regulatory asset. The balance represents accumulated unamortized prior service costs and net actuarial losses of the plan. The forecast was derived by taking the actual balance of the account as of August

2020 and projecting it forward based upon forecasted amortization of prior service cost and gains and losses as well as quarterly adjustments for regulatory assets allocated from LG&E and KU Services Company (LKS) to KU for KU's portion of the difference in the double corridor and 15-year amortization for LKS. It was also adjusted in December of 2020 for the anticipated impact of the 2020 pension settlement.

- e. See attached, page 2.
- f. The balance shown in account 184 Pension Clearing is the actual balance of the account for burdens for pension, postretirement, and post-employment as of August 2020 and is held constant throughout the forecast period. The forecasted pension expense is reflected as changes in the Prepaid Pension account 182 for service cost, interest cost, and estimated return on assets and in the Regulatory Asset – FAS 158 Pension account for amortizations of prior service cost and actuarial gains and losses. The forecasted postretirement expense is reflected as changes in the accumulated provision for postretirement benefits account 228.3 for service cost, interest cost, and estimated return on asset and in Regulatory Liability – Postretirement account 254 for amortizations of prior service cost. The Company does not project post-employment expenses in the forecast.
- g. The accumulated provision for postretirement benefits in account 228.3 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted postretirement and post-employment liabilities. The postretirement liability balance represents an excess of projected postretirement obligation over the trust fund assets allocated to KU. The forecast for postretirement was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted service cost, interest cost, and estimated return on assets as well as forecasted contributions. The Company does not project changes to the post-employment liability for the forecast. Therefore, the postemployment liability balance in the account as of August 2020 is held constant throughout the forecast period.
- h. See attached, page 3.
- i. The Regulatory Liability - Postretirement in account 254 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted postretirement regulatory liability. The balance represents accumulated unamortized prior service costs and net actuarial gains of the plan. The forecast was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted amortization of prior service cost and gains and losses.

- j. See attached, page 4.
- k. See the response to part f.
- l. Confirmed. The Companies included Regulatory Asset – FAS 158 Pension on Schedule B-5.2 in its 2018 rate cases and the Commission accepted the Company's position.<sup>1</sup> The Companies propose the same treatment in this case. Additionally, the Virginia Commission approved the inclusion of this regulatory asset in rate base in the previous two Virginia rate cases.<sup>2</sup>

The Companies believe the exclusion of other regulatory assets and liabilities from rate base is supportive of its position to utilize capitalization as its valuation methodology. The Companies' regulatory assets and liabilities are directly related to utility operations. Accordingly, the associated cash outflows or inflows should result in both investors (regulatory assets) and customers (regulatory liabilities) being fairly compensated for the use of those funds.

- m. Confirmed, for KU. KU only includes the Regulatory Liability – Post Retirement as it relates to this specific schedule. LG&E does not have a Regulatory Liability – Post Retirement balance. KU included Regulatory Liability - Postretirement on Schedule B-5.2 in its 2018 rate cases and the Commission accepted the Companies' position.<sup>3</sup> KU proposes the same treatment in this case. Additionally, the Virginia Commission approved the inclusion of this regulatory liability in rate base in the previous two Virginia rate cases.<sup>4</sup>

The Companies believe the exclusion of other regulatory assets and liabilities from rate base is supportive of its position to utilize capitalization as its valuation methodology. The Companies' regulatory assets and liabilities are directly related to utility operations. Accordingly, the associated cash outflows or inflows should result in both investors (regulatory assets) and customers (regulatory liabilities) being fairly compensated for the use of those funds.

The Companies also note that they do include the regulatory liability associated with excess ADIT in rate base in the ADIT balance on Schedule B-6.

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<sup>1</sup> Case No. 2018-00294, Order (Ky. PSC Apr. 30, 2019); Case No. 2018-00295, Order (Ky. PSC Apr. 30, 2019).

<sup>2</sup> Case Nos. PUR 2017-00106 and PUR 2019-00060.

<sup>3</sup> Case No. 2018-00294, Order (Ky. PSC Apr. 30, 2019).

<sup>4</sup> Case Nos. PUR 2017-00106 and PUR 2019-00060.

Monthly YTDs

Balance Sheet Account Balances - See Grant Log sheet

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Kentucky Utilities

	a-Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG JUN-22	
<b>Special Funds</b>																									
128.1 - Other spec funds - Investments	28,540	29,273	30,006	30,739	31,472	32,205	32,938	33,671	34,404	35,137	35,870	36,603	37,336	38,069	38,802	39,535	40,268	41,001	41,734	42,467	43,200	43,933	44,666	45,399	42,784
Change in forecasted balance from prior month		733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	733	788
<b>Components of change in balance from prior month:</b>																									
Monthly Service Cost, Interest Cost & EROA		f (733)	(733)	(733)	(733)	726	f 726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	788
Annual Estimated Contribution		p (733)	(733)	(733)	(733)	p.68 2,000	p 726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	788
		(733)	(733)	(733)	(733)	2,726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	726	788
<b>Components of account balance Aug 2020:</b>																									
Actuary Report		30,890	p.3																						
Funded Status		(3,150)	p.4																						
Pension Contribution		1,000	p.11																						
		28,540																							
<b>Components of Monthly Service Cost, Interest Cost &amp; EROA:</b>																									
	p.5	2020	p.6	2021	p.6	2022																			
Service Cost		6,753		6,688		6,126																			
Interest Cost		14,825		13,752		13,478																			
Estimated Return on Assets		(30,172)		(29,059)		(29,064)																			
Annual Total		(8,794)		(8,709)		(8,460)																			
Monthly Total		# (733)		# (726)		# (788)																			

Kentucky Utilities

	a-Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG IUN-22
<b>Regulatory Assets</b>																								
122 - Regulatory assets: Pension & Postretirement	126,815	126,601	125,876	125,150	130,419	129,564	128,709	128,409	127,554	126,699	125,998	125,543	124,688	124,387	123,532	122,677	121,822	120,967	120,144	119,289	118,434	117,579	116,724	122,131
Change in forecasted balance from prior month		(214)	(725)	(725)	5,269	(855)	(855)	(301)	(855)	(855)	(855)	(855)	(855)	(301)	(855)	(855)	(301)	(855)	(855)	(524)	(855)	(855)	(524)	Schedule 14-5.2
<b>Components of change in balance from prior month:</b>																								
Monthly Amortization of Prior Service Cost and Gains/Losses		(725)	(725)	(725)	(725)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)	(855)
LKS to KU Regulatory Asset Adjustment (21rly)		511			511		555			555			555				555						331	
Estimated Settlement						5,483																		
	(214)	1725	(725)		5,269	(855)	(855)	(301)	(855)	(855)	(855)	(855)	(855)	(301)	(855)	(855)	(301)	(855)	(855)	(524)	(855)	(855)	(524)	

**Components of account balance Aug 2020:**

Actuary Report	105,042	p.3
Funded Status	3,150	p.4
Double Corridor Allocation Calculation (CY)	1,302	p.7
Double Corridor Allocation Calculation (CY)	(1,251)	p.20
Double Corridor Allocation Calculation (CY)	1,079	p.21
Double Corridor Allocation Calculation (PY)	23,044	p.7
Amortization	(5,677)	
	<b>126,815</b>	

**Components of Amortization:**

	p.58 Aug-2020	p.54 2020	p.14 2021	p.6b 2022
Amortization of Prior Service Cost	565	585	565	524
Amortization of Gains and Losses	7,950	7,850	9,294	14,465
Estimated Impact of 2020 Settlement			188	159
Variance in double corridor and 15-year amortization	p.13 188	p.14 224	p.14 110	
Annual Total	8,515	8,703	10,271	10,768
Monthly Total	5,677	725	856	856

LKS to KU Reg Adjustment Allocation (Annual)	p.13 2,045	p.15 2,218	p.15 3,325
LKS to KU Regulatory Asset Adjustment (21rly)	511	555	331

Kentucky Utilities

	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG JUN-22	
Accumulated Provision for Post Retirement Benefits	20,828	20,795	20,704	20,604	20,500	20,404	20,324	20,254	20,197	20,151	20,110	20,074	20,041	20,010	19,984	19,961	19,942	19,927	19,915	19,906	19,900	19,896	19,894	19,894	19,894
228.2 - Accumulated prov for pen (OAT Lab)	16,450	16,002	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000
Accumulated Provision for Post Retirement Benefits	20,828	20,795	20,704	20,604	20,500	20,404	20,324	20,254	20,197	20,151	20,110	20,074	20,041	20,010	19,984	19,961	19,942	19,927	19,915	19,906	19,900	19,896	19,894	19,894	19,894
Change in forecasted balance from prior month		(123)	(1)	(1)	(123)	24	24	(104)	24	24	(104)	24	24	(104)	24	24	(104)	22	22	(110)	22	22	22	(110)	22

Components of change in balance from prior month:	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	
Monthly Service Cost, Interest Cost & ERGA	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Quarterly Estimated VERA Contribution	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
Quarterly Estimated Employee Contributions	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93	93
	(123)	(123)	(1)	(1)	(123)	24	24	(104)	24	24	(104)	24	24	(104)	24	24	(104)	22	22	(110)	22	22	22	(110)

Components of account balance Aug 2020:	2020	2021
Actuary Report	115,500 p.34	4,965 p.8
RDS payment	(123) p.12	33 p.12
Payments	(78) p.10	4,628
VERA Contribution	(73) p.11b	
Funded Status	(120) p.4	
	16,130	228.2

Components of Monthly Service Cost, Interest Cost & ERGA:	2020	2021	2022
Service Cost	1,111	1,153	1,123
Interest Cost	2,396	2,279	2,246
Estimated Return on Assets	(4,517)	(1,245)	(1,100)
Annual Total	(100)	244	268
Monthly Total	(1)	24	22

	2020	2021	2022
Funding	4,750 p.6d	4,750 p.6d	4,942 p.6d
Quarterly	1,185	1,188	1,236
April actual contribution	1,265		
*Annual Funding	4,628		
Quarterly Funding	1,157	1,150	1,236
Less: Employee Contributions	393	400	407 p.16
Net Benefit Payments	764	750	829
% of Benefit Payment Eligible for Reimbursement	0.64	0.54	0.64 p.11c
401(d) Reimbursement Eligible Benefit Payments	642	670	670
Net VERA Contribution	512	528	540

Kentucky Utilities

	a-Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG JUN-22
254 - Reg Liabilities Postretirement	33,835	33,835	33,836	33,837	33,838	33,872	33,905	33,940	33,974	34,008	34,042	34,076	34,110	34,144	34,178	34,212	34,246	34,281	34,315	34,349	34,383	34,417	34,451	34,348
Change in forecasted balance from prior month		1	1	1	1	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	Schedule H-5.2

Components of change in balance from prior month:  
Monthly Amortization of Prior Service Cost and Gains/Losses

	1	1	1	1	1	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34
	1	1	1	1	1	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34	34

Components of account balance Aug 2020:

Actuary Report	(34,132)	p. 33
Funded Status	304	p. 4
Amortization	(1)	
	<b>(33,829)</b>	

Components of Amortization:	Jan-Aug 2020	2020	2021	2022
Amortization of Prior Service Cost	p. 58   315	p. 51   315	p. 44   408	p. 0   408
Amortization of Gains and Losses	(304)	(304)		
Annual Total	11	11	408	408
Monthly Total	7	1	34	34

Per Towers actuary reports dated 4/30/2020 found on pages 5-5a

LKS				
Net Periodic Pension Cost	REG Double		FIN Double	
	Corridor	REG 15 year	Corridor	FIN 15 year
Service Cost	12,496,395	12,496,395	12,496,395	12,496,395
Interest Cost	21,952,785	21,952,785	21,952,785	21,952,785
Expected Return on Assets	(30,974,932)	(30,974,932)	(30,974,932)	(30,974,932)
Amortization of:				
Prior Service Costs	1,871,259	1,871,259	1,871,259	1,871,259
<b>Actuarial (Gain/Loss)</b>	<b>13,184,471</b>	<b>9,155,142</b>	<b>7,932,181</b>	<b>4,746,322</b>
		128,986		101,985
Net Periodic Pension Cost	18,529,978	14,629,635	13,277,688	10,193,814

Allocation of LKS Actuarial (Gain/Loss) 15yr v. DC		
LG&E	p.2a	48.33%
KU (gross)		51.52%
Capital Corp		0.14%
PPL		0.02%

Actuarial (Gain/Loss)

Cost of Service Study (%)		
KU - KY	p.2i	94.087%
KU - VA		4.742%
KU - Muni		1.171%

Gross KU Actuarial (Gain/Loss)

REG					A1
REG DC	REG 15 year	Annual Amount	Recorded YTD	Am't to be recorded*	REG YTD
(a)	(b)	(a - b)	(e)	(f)	(e + f)
6,372,028	4,424,661	1,947,366	1,298,244	0	1,298,244
6,791,996	4,716,282	2,075,714	1,383,809	0	1,383,809
18,292	12,702	5,590	3,727	(0)	3,727
2,155	1,496	659	439	0	439
<b>13,184,471</b>	<b>9,155,142</b>	<b>4,029,329</b>	<b>2,686,219</b>	<b>0</b>	<b>2,686,218</b>
6,390,385	4,437,409	1,952,977	1,301,985	(0)	1,301,984
322,076	223,646	98,430	65,620	0	65,620
79,534	55,228	24,307	16,204	0	16,204
<b>6,791,996</b>	<b>4,716,282</b>	<b>2,075,714</b>	<b>1,383,809</b>	<b>0</b>	<b>1,383,809</b>

128,986 Reg Gross-up

LKS Reclass to KU	
81,824	i+j
(1,383,809)	b
(1,301,985)	P.1a

Case No. 2020-00349  
Attachment to Response to AG-KIUC-1 Question No. 54(c)(e)(h)(j)  
Page 5 of 42  
Garrett

**LG&E & KU Energy LLC**  
**Estimated ASC 715 Net Periodic Pension Cost ("NPPC") For LG&E and KU Pension Plan**  
**2021 Fiscal Year**

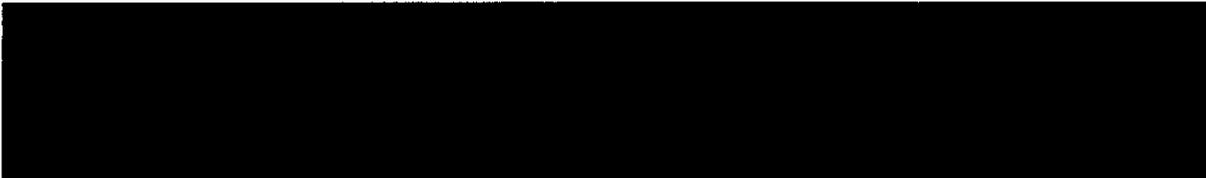
	Regulatory LG&E	Regulatory KU	Financial Servco	Regulatory Servco
Service cost	3,580,296	6,608,020	12,268,898	12,268,898
Interest cost	17,146,740	13,751,864	21,020,556	21,020,556
Expected return on assets	(36,538,591)	(29,069,210)	(29,387,843)	(29,387,843)
Amortizations:				
Transition	-	-	-	-
Prior service cost	5,192,346	565,441	1,871,259	1,871,259
(Gain)/loss	19,806,921	13,081,719	11,075,151	15,679,017
ASC 715 NPBC	9,187,712	4,937,834	16,848,021	21,451,887

**LG&E & KU Energy LLC**  
**Estimated ASC 715 Net Periodic Pension Cost ("NPPC") For LG&E and KU Pension Plan**  
**2022 Fiscal Year**

	Regulatory LG&E	Regulatory KU	Financial Servco	Regulatory Servco
Service cost	3,380,856	6,125,634	11,373,268	11,373,268
Interest cost	16,504,405	13,478,485	20,850,199	20,850,199
Expected return on assets	(36,277,423)	(29,053,678)	(29,797,426)	(29,797,426)
Amortizations:				
Transition	-	-	-	-
Prior service cost	4,857,641	524,248	1,871,259	1,871,259
(Gain)/loss	16,583,266	11,328,251	10,055,791	14,080,601
ASC 715 NPBC	5,048,745	2,392,940	14,353,091	18,377,901

**Notes**

- Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND.Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
- Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
- Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
- Average future working lifetime: Assumed to decrease 0.13 per year.
- Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
- These accounting projections are based on the double-corridor amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.



**Notes**

1. Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
2. Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
3. Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
4. Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
5. Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
6. Average future working lifetime: Assumed to decrease 0.13 per year.
7. Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
8. These accounting projections are based on the double-corridor amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Pension Plan**  
**Estimated Cash Contributions for Plan Years 2021-2025**

Date	LG&E	KU	Servco
1/21/2020 actual	4,000,000	1,000,000	17,000,000
12/31/2021	4,000,000	2,000,000	17,000,000
12/31/2022	3,000,000	1,000,000	16,000,000

**LG&E & KU Energy LLC**  
**Estimated Net Periodic Pension Cost ("NPPC") Reflecting 15-year (Gain)/Loss Amortization Method For LG&E and KU Pension Plan**  
**2021 Fiscal Year**

	Reg-15 LG&E	Reg-15 KU	Reg-15 Servco (Regulatory)	Fin-15 Servco (Financial)
Service cost	3,580,296	6,608,020	12,268,898	12,268,898
Interest cost	17,146,740	13,751,864	21,020,556	21,020,556
Expected return on assets	(36,538,591)	(29,069,210)	(29,387,843)	(29,387,843)
Amortizations:				
Transition	-	p.1a -	-	-
Prior service cost	5,192,346	685,441	1,871,259	1,871,259
(Gain)/loss	14,087,137	9,294,413	11,091,790	6,682,970
ASC 715 NPBC	3,467,928	1,150,528	16,864,660	12,455,840

**LG&E & KU Energy LLC**  
**Estimated Net Periodic Pension Cost ("NPPC") Reflecting 15-year (Gain)/Loss Amortization Method For LG&E and KU Pension Plan**  
**2022 Fiscal Year**

	Reg-15 LG&E	Reg-15 KU	Reg-15 Servco (Regulatory)	Fin-15 Servco (Financial)
Service cost	3,380,856	6,125,634	11,373,268	11,373,268
Interest cost	16,504,405	13,478,485	20,850,199	20,850,199
Expected return on assets	(36,277,423)	(29,063,678)	(29,797,426)	(29,797,426)
Amortizations:				
Transition	-	p.1a -	-	-
Prior service cost	4,857,641	524,248	1,871,259	1,871,259
(Gain)/loss	14,394,416	9,464,855	11,264,083	6,855,263
ASC 715 NPBC	2,859,895	529,544	15,561,383	11,152,563

**Notes**

- Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
- Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
- Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
- Average future working lifetime: Assumed to decrease 0.13 per year.
- Projections reflect the 15-year amortization method as outlined in the April 20, 2015 rate settlement agreement and as confirmed on June 17, 2015 by LKE.
- Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
- These accounting projections are based on the 15-year amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Energy LLC**  
**2021 Estimated ASC 715 Net Periodic Benefit Cost ("NPBC") For Postretirement Benefit Plan**

	Regulatory		Financial	Regulatory
	LG&E	p. 1b KU		
Service cost	924,472	1,152,789	1,994,507	1,994,507
Interest cost	2,596,350	2,279,165	2,008,709	2,008,709
Expected return on assets	(848,958)	(3,148,049)	(4,378,865)	(4,378,865)
Amortizations:				
Transition	-	-	-	-
Prior service cost	537,870	p. 1c 408,388	403,354	403,354
(Gain)/loss	-	-	-	-
ASC 715 NPBC	3,209,734	692,293	25,705	25,705

**LG&E & KU Energy LLC**  
**2022 Estimated ASC 715 Net Periodic Benefit Cost ("NPBC") For Postretirement Benefit Plan**

	Regulatory		Financial	Regulatory
	LG&E	p. 1b KU		
Service cost	900,355	1,122,716	1,942,477	1,942,477
Interest cost	2,496,275	2,246,033	2,026,096	2,026,096
Expected return on assets	(764,242)	(3,100,412)	(4,472,425)	(4,472,425)
Amortizations:				
Transition	-	-	-	-
Prior service cost	537,870	p. 1c 408,388	403,354	403,354
(Gain)/loss	-	-	-	-
ASC 715 NPBC	3,170,258	676,725	(100,498)	(100,498)

**Notes**

- Discount rate: 3.28% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND.Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPBC: 7.25% for 2020 and 7.00% for 2021-2025 (applied only to 401(h) amounts; Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% expected return on assets)).
- Projected asset return assumption: 401(h) amounts are assumed to earn 0.7% in 2020 and 7.00% per annum in subsequent years. Contributions to the 401(h) account are assumed to be equal to the maximum deductible amount and are expected to be contributed at June 30th of the following fiscal year (projected to be \$0 in all years). Benefit payments are assumed to be paid from the 401(h) account to the extent allowable. Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% actual return on assets).
- Population projection effects on service cost: Service cost is assumed to decrease 2.90% per year (before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, service cost for the 2021 and 2024 Fiscal Years was adjusted to reflect the estimated impact of the plan changes described below and assumed to be effective at December 31, 2020 and December 31, 2023, respectively, as follows: LG&E, +0.7%; KU, +1.1%; Servco, +0.9%. Similarly, APBO was adjusted at December 31, 2020 and December 31, 2023 to reflect the estimated impact of the plan changes, as follows: LG&E, +2.2%; KU, +1.9%; Servco, +2.1%; LPI/WKE NU, +1.9%.
- Health care cost trend rate assumption: An annual reset is assumed at the each fiscal year-end to an initial rate of 6.60% grading down to an ultimate rate of 5.00% after 4 years. Accordingly, service cost was increased by 0.3% annually to reflect the estimated impact of this change. Similarly, APBO was increased annually to reflect the estimated impact of this change, as follows: LG&E, +0.1%; KU, +0.3%; Servco, +0.2%; LPI/WKE NU and WKE Union, no increase.
- These accounting projections are based on the January 1, 2020 valuation results provided on May 1, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on May 1, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Energy LLC  
Estimated Benefit Payments For Postretirement Benefit Plan**

Fiscal Year	LG&E	p.1b KU	ServCo
2020	6,717,220	4,750,378	3,148,186
2021	6,896,114	4,790,398	3,423,502
2022	6,604,897	4,942,251	3,652,158

**Estimated Contributions to 401(h) Account**

Fiscal Year	401(h) Account
2020	-
2021	-
2022	-

**Notes**

- Discount rate: 3.28% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPBC: 7.25% for 2020 and 7.00% for 2021-2025 (applied only to 401(h) amounts; Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% expected return on assets)).
- Projected asset return assumption: 401(h) amounts are assumed to earn 0.7% in 2020 and 7.00% per annum in subsequent years. Contributions to the 401(h) account are assumed to be equal to the maximum deductible amount and are expected to be contributed at June 30th of the following fiscal year (projected to be \$0 in all years). Benefit payments are assumed to be paid from the 401(h) account to the extent allowable. Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% actual return on assets).
- Population projection effects on service cost: Service cost is assumed to decrease 2.90% per year (before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, service cost for the 2021 and 2024 Fiscal Years was adjusted to reflect the estimated impact of the plan changes described below and assumed to be effective at December 31, 2020 and December 31, 2023, respectively, as follows: LG&E, +0.7%; KU, +1.1%; Servco, +0.9%. Similarly, APBO was adjusted at December 31, 2020 and December 31, 2023 to reflect the estimated impact of the plan changes, as follows: LG&E, +2.2%; KU, +1.9%; Servco, +2.1%; LPI/WKE NU, +1.9%.
- Health care cost trend rate assumption: An annual reset is assumed at the each fiscal year-end to an initial rate of 6.60% grading down to an ultimate rate of 5.00% after 4 years. Accordingly, service cost was increased by 0.3% annually to reflect the estimated impact of this change. Similarly, APBO was increased annually to reflect the estimated impact of this change, as follows: LG&E, +0.1%; KU, +0.3%; Servco, +0.2%; LPI/WKE NU and WKE Union, no increase.
- These accounting projections are based on the January 1, 2020 valuation results provided on May 1, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on May 1, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 54**

**Responding Witness: Christopher M. Garrett**

- Q-54. Refer to Schedule B-5.2, page 5 of 6, which provides the 13 month average amounts of Additional Sources and Uses of Cash Working Capital in Rate Base for each Company.
- a. Provide a detailed schedule of all amounts included in the per books amount of Cash Working Capital in the accounts listed on this schedule by subaccount for each month in 2020, during the base year, for the months March 2021 through June 2021, and during the test year. Be sure to provide the subaccount description and amounts for each of the per books sub accounts.
  - b. Provide a description of the prepaid pension in account 128. Confirm that the amount in this account is simply the excess of the pension trust fund assets over the accumulated pension obligation.
  - c. Provide all support for the prepaid pension in account 128, including a copy of the actuarial report relied on for this purpose, if any, and the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
  - d. Provide a description of the Regulatory Asset – FAS 158 Pension in account 182.
  - e. Provide all support for the Regulatory Asset – FAS 158 Pension, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
  - f. Explain why the Companies forecast a balance in account 184 Pension Clearing instead of \$0, especially given the Companies' forecast of pension expense in the test year.
  - g. Provide a description of the accumulated provision for postretirement benefits in account 228.3. Confirm that the amount in this account is simply the excess of the accumulated OPEB obligation over the OPEB trust fund assets.

- h. Provide all support for the accumulated provision for postretirement benefits in account 228.3, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
- i. Provide a description of the Regulatory Liability - Postretirement in account 254.
- j. Provide all support for the Regulatory Liability - Postretirement, including a copy of the actuarial report relied on for this purpose, if any, in the calculation of the test year amount utilizing an annotated version of the actuarial report to the extent relied on for this purpose.
- k. Explain why there is no OPEB clearing account similar to that for pension clearing in account 184.
- l. Confirm that it is the Companies' practice not to include regulatory assets in rate base, except for the requested Regulatory Asset – FAS 158 Pension shown on this schedule. If this is confirmed, then describe the basis for this practice. Cite to Commission orders to the extent relied on for this purpose.
- m. Confirm that it is the Companies' practice not to include regulatory liabilities in rate base, except for the requested Regulatory Liability – Postretirement shown on this schedule. If this is confirmed, then describe the basis for this practice. Cite to Commission orders to the extent relied on for this purpose.

A-54.

- a. See attached.
- b. The prepaid pension in account 128 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted prepaid pension. The balance represents an excess of pension trust fund assets allocated to LG&E over PBO. The forecast was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted pension service cost, interest cost, and estimated return on assets as well as forecasted pension contributions.
- c. See attached, page 1.
- d. The Regulatory Asset – FAS 158 Pension in account 182 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted pension and postretirement regulatory assets. The balance

represents accumulated unamortized prior service costs and net actuarial losses of the plans. The forecast was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted amortization of prior service cost and gains and losses as well as quarterly adjustments for regulatory assets allocated from LG&E and KU Services Company (LKS) to LG&E for LG&E's portion of the difference in the double corridor and 15-year amortization for LKS. It was also adjusted in December of 2020 for the anticipated impact of the 2020 pension settlement.

- e. See attached, page 2.
- f. The balance shown in account 184 Pension Clearing is the actual balance of the account for burdens for pension, postretirement, and post-employment as of August 2020 and is held constant throughout the forecast period. The forecasted pension expense is reflected as changes in the Prepaid Pension account 182 for service cost, interest cost, and estimated return on assets and in the Regulatory Asset – FAS 158 Pension account for amortizations of prior service cost and actuarial gains and losses. The forecasted postretirement expense is reflected as changes in the accumulated provision for postretirement benefits account 228.3 for service cost, interest cost, and estimated return on asset and in Regulatory Liability – Postretirement account 254 for amortizations of prior service cost. The Company does not project post-employment expenses in the forecast.
- g. The accumulated provision for postretirement benefits in account 228.3 on Schedule B-5.2, page 5 of 6, is the thirteen-month average from June 2021-June 2022 of the forecasted postretirement and post-employment liabilities. The postretirement liability balance represents an excess of projected postretirement obligation over the trust fund assets allocated to LG&E. The forecast for postretirement was derived by taking the actual balance of the account as of August 2020 and projecting it forward based upon forecasted service cost, interest cost, and estimated return on assets as well as forecasted contributions. The Company does not project changes to the post-employment liability for the forecast. Therefore, the postemployment liability balance in the account as of August 2020 is held constant throughout the forecast period.
- h. See attached, page 3.
- i. There is no balance referenced on Schedule B-5.2, page 5 of 6 for account 254 Regulatory Liability – Postretirement. Were there a balance, it would represent accumulated unamortized prior service costs and net actuarial gains of the postretirement plan.

- j. See the response to subpart i.
- k. See the response to subpart f.
- l. Confirmed. The Companies included Regulatory Asset – FAS 158 Pension on Schedule B-5.2 in its 2018 rate cases and the Commission accepted the Companies’ position.<sup>1</sup> The Companies propose the same treatment in this case. The Companies believe the exclusion of other regulatory assets and liabilities from rate base is supportive of its position to utilize capitalization as its valuation methodology. The Companies’ regulatory assets and liabilities are directly related to utility operations. Accordingly, the associated cash outflows or inflows should result in both investors (regulatory assets) and customers (regulatory liabilities) being fairly compensated for the use of those funds.
- m. See the response to part i. above indicating that there is no Regulatory Liability – Post Retirement balance for LG&E. LG&E has a regulatory asset balance for post retirement per part d. above. LG&E has not included any regulatory liability balances on this schedule consistent with its treatment in the previous rate case.<sup>2</sup>

The Companies believe the exclusion of other regulatory assets and liabilities from rate base is supportive of its position to utilize capitalization as its valuation methodology. The Companies’ regulatory assets and liabilities are directly related to utility operations. Accordingly, the associated cash outflows or inflows should result in both investors (regulatory assets) and customers (regulatory liabilities) being fairly compensated for the use of those funds.

The Companies also note that they include the regulatory liability associated with excess ADIT in rate base in the ADIT balance on Schedule B-6.

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<sup>1</sup> Case No. 2018-00294, Order (Ky. PSC Apr. 30, 2019); Case No. 2018-00295, Order (Ky. PSC Apr. 30, 2019).

<sup>2</sup> Case No. 2018-00295, Order (Ky. PSC Apr. 30, 2019).

LGRE

Balance Sheet Account Balances - For Total Log 10/04

(0000)

LGRE Direct

Assets

112.1 Other use funds - Investments

112.2 Regulatory assets Pension & Postretirement

112.3 Regulatory reserve and investigation charges

112.4 Other-Inventory Survey

112.5 Other Assets (Not Pension)

112.6 Other Assets (Not Pension) (Net 10/1/11)

112.7 Most deferred O&M (Amort 11)

112.8 Most Def Debit CPM

112.9 Most Def Debit Ratchet/Over/Under Exp

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Louisville Gas & Electric

	A-Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG JUN-21	
<b>Special Funds</b>																									
128.1 - Other spec funds - Investments-UGRE Electric	23,635	24,573	25,512	26,450	27,388	28,326	29,264	30,202	31,140	32,078	33,016	33,954	34,892	35,830	36,768	37,706	38,644	39,582	40,520	41,458	42,396	43,334	44,272	45,210	Schedule 18-5.1 42,037
128.1 - Other spec funds - Investments-UGRE Gas	10,688	11,113	11,537	11,961	12,385	12,809	13,233	13,657	14,081	14,505	14,929	15,353	15,777	16,201	16,625	17,049	17,473	17,897	18,321	18,745	19,169	19,593	20,017	20,441	19,010
<b>34,323</b>	<b>35,686</b>	<b>37,049</b>	<b>38,411</b>	<b>39,773</b>	<b>41,135</b>	<b>42,497</b>	<b>43,859</b>	<b>45,221</b>	<b>46,583</b>	<b>47,945</b>	<b>49,307</b>	<b>50,669</b>	<b>52,031</b>	<b>53,393</b>	<b>54,755</b>	<b>56,117</b>	<b>57,479</b>	<b>58,841</b>	<b>60,203</b>	<b>61,565</b>	<b>62,927</b>	<b>64,289</b>	<b>65,651</b>	<b>67,013</b>	<b>61,048</b>
Change in forecasted balance from prior month		1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,367	1,366
<b>Components of change in balance from prior month:</b>																									
Monthly Service Cost, Interest Cost & FRDA		/(1,362)	(1,362)	(1,362)	(1,362)	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,318	1,366
Annual Estimated Contribution						4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
		(1,362)	(1,362)	(1,362)	(1,362)	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,318	5,366
<b>Components of account balance Aug 2020:</b>																									
Actuary Report	31,615	p.3																							
Funded Status	(1,291)	p.4																							
Pension Contribution	4,000	p.11																							
<b>34,324</b>																									
<b>Components of Monthly Service Cost, Interest Cost &amp; FRDA:</b>																									
FRDA	1.5	2020	p.6	2021	p.6	2022																			
Service Cost		3,445		3,580		3,715																			
Interest Cost		18,500		17,147		15,504																			
Estimated Return on Assets		(28,235)		(28,539)		(28,277)																			
Annual Total		(16,350)		(15,812)		(16,392)																			
Monthly Total		*(1,362)		*(1,318)		*(1,366)																			

**Louisville Gas & Electric**

	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	13 Month AVG JUN-22	
<b>Regulatory Assets</b>																									
122 - Regulatory assets Pension & Postretirement-Electric	134,609	133,874	132,810	131,764	130,721	131,866	130,711	129,974	129,743	122,548	126,276	125,021	124,406	123,653	122,498	121,343	120,530	119,280	118,231	117,205	116,135	114,905	114,040	113,280	113,280
122 - Regulatory assets Pension & Postretirement-Gas	60,473	60,341	60,064	59,587	60,155	59,633	59,110	58,743	58,220	57,608	57,331	56,808	56,286	55,719	55,296	54,874	54,506	53,886	53,466	53,039	52,519	51,999	51,571	51,143	51,143
<b>Change in forecasted balance from prior month</b>	<b>195,083</b>	194,214	192,873	191,351	193,176	191,458	189,821	188,641	186,964	185,285	184,106	182,429	180,751	179,571	177,804	176,217	175,037	173,267	171,697	170,324	168,654	166,984	165,611	174,819	Schedule B-5.2
<b>Components of change in balance from prior month:</b>																									
Monthly Amortization of Prior Service Cost and Gains/Losses		↓	(1,532)	(1,532)	(1,532)	(1,532)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)	(1,677)
LGS to KU Regulatory Asset Adjustment (Qtrly)		↓	493		493		497		497		497		497		497		497		497		497		497		497
Estimated Settlement																									
	(1,068)	(1,532)	(1,532)	1,824	(1,677)	(1,677)	(1,180)	(1,677)	(1,677)	(1,677)	(1,180)	(1,677)	(1,677)	(1,155)	(1,677)	(1,677)	(1,180)	(1,677)	(1,677)	(1,372)	(1,677)	(1,677)	(1,372)	(1,677)	

**Components of account balance Aug 2020:**

Actuary Report	172,525	p.3
Actuary Report	3,291	p.3a
Funded Status	1,157	p.4
Funded Status	1,293	p.4
Double Corridor Allocation Calculation (CY)	1,208	p.2
Double Corridor Allocation Calculation (CY)	(1,079)	p.2f
Double Corridor Allocation Calculation (CY)	(35)	p.2f
Double Corridor Allocation Calculation (PY)	29,253	p.7
Amortization	(15,930)	
Amortization	(256)	
<b>Total</b>	<b>195,083</b>	

	2020					2021			2022		
	Jan-Aug 2020	Pension	PFW	P-3a	Total	Pension	PFW	Total	Pension	PFW	Total
Components of Amortization	5,412	790	5,212	750	6,202	5,192	518	5,710	4,858	518	5,376
Amortization of Prior Service Cost	12,443	(1,550)	12,443	(1,58)	12,125	14,087	14,087	14,304			14,394
Estimated impact of 2020 Settlement						p.6e 257			p.6e 230		
Variance in double corridor and 15-year amortization					p.13 52	p.14 56			p.14 21		
Annual Total	17,855	432	17,855	432	18,380	16,130	16,130	16,130	16,130	16,130	16,130
Monthly Total	1,990	288	1,990	288	2,072	1,677	1,677	1,677	1,677	1,677	1,677

	2020	2021	2022
LGS to KU Reg Adjustment Allocation (Annual)	p.13 1,853	p.14 1,988	p.15 1,188
LGS to KU Regulatory Asset Adjustment (Qtrly)	↑ 493	↑ 497	↑ 297



Per Towers actuary reports dated 4/30/2020 found on pages 5-5a

Net Periodic Pension Cost	LKS			
	REG Double		FIN Double	
	Corridor	REG 15 year	Corridor	FIN 15 year
Service Cost	12,496,395	12,496,395	12,496,395	12,496,395
Interest Cost	21,952,785	21,952,785	21,952,785	21,952,785
Expected Return on Assets	(30,974,932)	(30,974,932)	(30,974,932)	(30,974,932)
Amortization of:				
Prior Service Costs	1,871,259	1,871,259	1,871,259	1,871,259
<b>Actuarial (Gain/Loss)</b>	<b>13,184,471</b>	<b>9,155,142</b>	<b>7,932,181</b>	<b>4,746,322</b>
		128,986		101,985
Net Periodic Pension Cost	18,529,978	14,629,635	13,277,688	10,193,814

Allocation of LKS Actuarial (Gain/Loss) 15yr v. DC		
LG&E	p.2a	48.33%
KU (gross)		51.52%
Capital Corp		0.14%
PPL		0.02%

REG					A1
REG DC	REG 15 year	Annual Amount	Recorded YTD	Amt to be recorded*	REG YTD
(a)	(b)	(a - b)	(e)	(f)	(e + f)
6,372,028	4,424,661	1,947,366	p.1a 1,298,244	0	1,298,244
6,791,996	4,716,282	2,075,714	b 1,383,809	0	1,383,809
18,292	12,702	5,590	3,727	(0)	3,727
2,155	1,496	659	439	0	439
<b>13,184,471</b>	<b>9,155,142</b>	<b>4,029,329</b>	<b>2,686,219</b>	<b>0</b>	<b>2,686,218</b>

Cost of Service Study (%)		
KU - KY	p.2i	94.087%
KU - VA		4.742%
KU - Muni		1.171%

6,390,385	4,437,409	1,952,977	1,301,985	(0)	1,301,984
322,076	223,646	98,430	65,620	0	65,620
79,534	55,228	24,307	16,204	0	16,204
<b>6,791,996</b>	<b>4,716,282</b>	<b>2,075,714</b>	<b>1,383,809</b>	<b>0</b>	<b>1,383,809</b>

Gross KU Actuarial (Gain/Loss)

128,986 Reg Gross-up

LKS Reclass to KU	
81,824	i+j
(1,383,809)	b
(1,301,985)	

**LG&E & KU Energy LLC**  
**Estimated ASC 715 Net Periodic Pension Cost ("NPPC") For LG&E and KU Pension Plan**  
**2021 Fiscal Year**

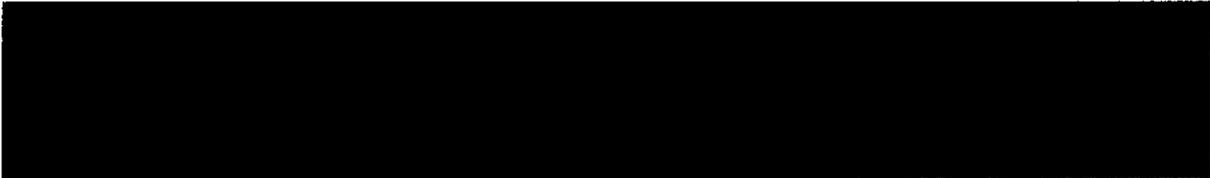
	Regulatory LG&E	Regulatory KU	Financial Servco	Regulatory Servco
Service cost	p.1 3,580,296	6,808,020	12,268,898	12,268,898
Interest cost	17,146,740	13,751,864	21,020,556	21,020,556
Expected return on assets	(36,538,591)	(29,069,210)	(29,387,843)	(29,387,843)
Amortizations:				
Transition	-	-	-	-
Prior service cost	5,192,346	565,441	1,871,259	1,871,259
(Gain)/loss	19,806,921	13,081,719	11,075,151	15,679,017
ASC 715 NPBC	9,187,712	4,937,834	16,848,021	21,451,887

**LG&E & KU Energy LLC**  
**Estimated ASC 715 Net Periodic Pension Cost ("NPPC") For LG&E and KU Pension Plan**  
**2022 Fiscal Year**

	Regulatory LG&E	Regulatory KU	Financial Servco	Regulatory Servco
Service cost	p.1 3,380,856	6,125,634	11,373,268	11,373,268
Interest cost	16,504,405	13,478,485	20,850,199	20,850,199
Expected return on assets	(36,277,423)	(29,063,678)	(29,797,426)	(29,797,426)
Amortizations:				
Transition	-	-	-	-
Prior service cost	4,857,641	524,248	1,871,259	1,871,259
(Gain)/loss	16,583,266	11,328,251	10,055,791	14,080,601
ASC 715 NPBC	5,048,745	2,392,940	14,353,091	18,377,901

**Notes**

- Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
- Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
- Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
- Average future working lifetime: Assumed to decrease 0.13 per year.
- Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
- These accounting projections are based on the double-corridor amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.



**Notes**

1. Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND.Link model as of April 30, 2020).
2. Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
3. Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
4. Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
5. Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
6. Average future working lifetime: Assumed to decrease 0.13 per year.
7. Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
8. These accounting projections are based on the double-corridor amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Pension Plan**  
**Estimated Cash Contributions for Plan Years 2021-2025**

Date	LG&E	KU	Servco
1/21/2020 actual	4,000,000	1,000,000	17,000,000
12/31/2021	p.1 4,000,000	2,000,000	17,000,000
12/31/2022	p.1 3,000,000	1,000,000	16,000,000

**LG&E & KU Energy LLC**  
**Estimated Net Periodic Pension Cost ("NPPC") Reflecting 15-year (Gain)/Loss Amortization Method For LG&E and KU Pension Plan**  
**2021 Fiscal Year**

	Reg-15 LG&E	Reg-15 KU	Reg-15 Servco (Regulatory)	Fin-15 Servco (Financial)
Service cost	3,580,296	6,608,020	12,268,898	12,268,898
Interest cost	17,146,740	13,751,854	21,020,556	21,020,556
Expected return on assets	(36,538,591)	(29,069,210)	(29,387,843)	(29,387,843)
Amortizations:				
Transition	p.1a -	-	-	-
Prior service cost	5,192,346	565,441	1,871,259	1,871,259
(Gain)/loss	14,087,137	9,294,413	11,091,790	6,682,970
ASC 715 NPBC	3,467,928	1,150,528	16,864,660	12,455,840

**LG&E & KU Energy LLC**  
**Estimated Net Periodic Pension Cost ("NPPC") Reflecting 15-year (Gain)/Loss Amortization Method For LG&E and KU Pension Plan**  
**2022 Fiscal Year**

	Reg-15 LG&E	Reg-15 KU	Reg-15 Servco (Regulatory)	Fin-15 Servco (Financial)
Service cost	3,380,856	6,125,634	11,373,268	11,373,268
Interest cost	16,504,405	13,478,485	20,850,199	20,850,199
Expected return on assets	(36,277,423)	(29,063,678)	(29,797,426)	(29,797,426)
Amortizations:				
Transition	p.1a -	-	-	-
Prior service cost	4,857,641	524,248	1,871,259	1,871,259
(Gain)/loss	14,394,416	9,464,855	11,264,083	6,855,263
ASC 715 NPBC	2,859,895	529,544	15,561,383	11,152,563

**Notes**

- Discount rate: 3.32% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPPC: 7.25% for 2020 and 7.00% for 2021-2025.
- Projected asset return assumption: The fair value of assets is assumed to earn 0.70% in 2020 and 7.00% per annum in 2021-2025. Additionally, estimated administrative expenses of \$2.5 million are assumed to be paid from trust in 2020 and are allocated based on actual administrative expenses in 2019 (\$1.2 million for LG&E, \$0.6 million for KU and \$0.7 million for Servco). Estimated administrative expenses were adjusted for future years consistent with projected changes in PBGC premiums, as follows: 2021, \$2.6 million; 2022, \$5.4 million; 2023, \$5.2 million; 2024, \$3.9 million; 2025, \$2.5 million.
- Population projection effects on service cost: Service cost is assumed to decrease 7.3% annually for non-bargained participants and assumed to decrease 2.6% annually for bargained participants due to expected attrition (both before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, the service cost for bargained participants includes an assumed offsetting increase of 8.5% every three years (i.e., the increases for 2021-2023 are assumed to be reflected at January 1, 2021) consistent with the impact of the plan changes resulting from the union negotiations in 2017 (but adjusted for current plan demographics). Similarly, the PBO for bargained participants includes a 1.6% increase every three years to estimate the impact of the plan changes consistent with the union negotiations in 2017 (but adjusted for current plan demographics).
- Average future working lifetime: Assumed to decrease 0.13 per year.
- Projections reflect the 15-year amortization method as outlined in the April 20, 2015 rate settlement agreement and as confirmed on June 17, 2015 by LKE.
- Actual contributions for 2020 and assumed contributions for 2021-2025 are detailed in the table at the end of this exhibit. Disclosure of significant risks related to the plan is required under ASOP No. 51. The analysis provided herein provides future pension contributions based on specific economic outcomes. It is beyond the scope of this analysis to analyze the potential range of future pension contributions due to different economic outcomes or demographic or legislative changes, but we can do so upon request. See Appendix C in our valuation reports dated September 2019 for disclosures required under ASOP No. 51 of significant risks related to the plan.
- These accounting projections are based on the 15-year amortization method valuation results provided on April 30, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on April 30, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Energy LLC  
2021 Estimated ASC 715 Net Periodic Benefit Cost ("NPBC") For Postretirement Benefit Plan**

	Regulatory p.1b LG&E	Regulatory KU	Financial ServCo	Regulatory ServCo
Service cost	924,472	1,152,789	1,994,507	1,994,507
Interest cost	2,596,350	2,279,165	2,006,709	2,006,709
Expected return on assets	(848,958)	(3,148,049)	(4,378,865)	(4,378,865)
Amortizations:				
Transition	-	-	-	-
Prior service cost	p.1a 537,870	408,388	403,354	403,354
(Gain)/loss	-	-	-	-
ASC 715 NPBC	3,209,734	692,293	25,705	25,705

**LG&E & KU Energy LLC  
2022 Estimated ASC 715 Net Periodic Benefit Cost ("NPBC") For Postretirement Benefit Plan**

	Regulatory p.1b LG&E	Regulatory KU	Financial ServCo	Regulatory ServCo
Service cost	900,355	1,122,716	1,942,477	1,942,477
Interest cost	2,496,275	2,246,033	2,026,098	2,026,098
Expected return on assets	(784,242)	(3,100,412)	(4,472,425)	(4,472,425)
Amortizations:				
Transition	-	-	-	-
Prior service cost	p.1a 537,870	408,388	403,354	403,354
(Gain)/loss	-	-	-	-
ASC 715 NPBC	3,170,258	676,725	(100,498)	(100,498)

**Notes**

- Discount rate: 3.28% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND:Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPBC: 7.25% for 2020 and 7.00% for 2021-2025 (applied only to 401(h) amounts; Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% expected return on assets)).
- Projected asset return assumption: 401(h) amounts are assumed to earn 0.7% in 2020 and 7.00% per annum in subsequent years. Contributions to the 401(h) account are assumed to be equal to the maximum deductible amount and are expected to be contributed at June 30th of the following fiscal year (projected to be \$0 in all years). Benefit payments are assumed to be paid from the 401(h) account to the extent allowable. Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% actual return on assets).
- Population projection effects on service cost: Service cost is assumed to decrease 2.90% per year (before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, service cost for the 2021 and 2024 Fiscal Years was adjusted to reflect the estimated impact of the plan changes described below and assumed to be effective at December 31, 2020 and December 31, 2023, respectively, as follows: LG&E, +0.7%; KU, +1.1%; Servco, +0.9%. Similarly, APBO was adjusted at December 31, 2020 and December 31, 2023 to reflect the estimated impact of the plan changes, as follows: LG&E, +2.2%; KU, +1.9%; Servco, +2.1%; LPI/WKE NU, +1.9%.
- Health care cost trend rate assumption: An annual reset is assumed at the each fiscal year-end to an initial rate of 6.60% grading down to an ultimate rate of 5.00% after 4 years. Accordingly, service cost was increased by 0.3% annually to reflect the estimated impact of this change. Similarly, APBO was increased annually to reflect the estimated impact of this change, as follows: LG&E, +0.1%; KU, +0.3%; Servco, +0.2%; LPI/WKE NU and WKE Union, no increase.
- These accounting projections are based on the January 1, 2020 valuation results provided on May 1, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on May 1, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**LG&E & KU Energy LLC**  
**Estimated Benefit Payments For Postretirement Benefit Plan**

Fiscal Year	LG&E	KU	ServCo
2020	6,717,220	4,750,378	3,148,186
2021 p.1b	6,696,114	4,790,396	3,423,502
2022	6,604,897	4,942,251	3,652,158

**Estimated Contributions to 401(h) Account**

Fiscal Year	401(h) Account
2020	-
2021	-
2022	-

**Notes**

- Discount rate: 3.28% beginning on December 31, 2020 and throughout the forecast period (based on the Willis Towers Watson BOND.Link model as of April 30, 2020).
- Expected return on assets assumption for calculating annual NPBC: 7.25% for 2020 and 7.00% for 2021-2025 (applied only to 401(h) amounts; Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% expected return on assets)).
- Projected asset return assumption: 401(h) amounts are assumed to earn 0.7% in 2020 and 7.00% per annum in subsequent years. Contributions to the 401(h) account are assumed to be equal to the maximum deductible amount and are expected to be contributed at June 30th of the following fiscal year (projected to be \$0 in all years). Benefit payments are assumed to be paid from the 401(h) account to the extent allowable. Non-union and Union VEBA amounts are assumed to remain level over the projection period (i.e., contributions equal disbursements and a 0.00% actual return on assets).
- Population projection effects on service cost: Service cost is assumed to decrease 2.90% per year (before the effect of any assumption changes).
- Expected effect of collective bargaining: In addition to the annual decreases described in note 4 above, service cost for the 2021 and 2024 Fiscal Years was adjusted to reflect the estimated impact of the plan changes described below and assumed to be effective at December 31, 2020 and December 31, 2023, respectively, as follows: LG&E, +0.7%; KU, +1.1%; Servco, +0.9%. Similarly, APBO was adjusted at December 31, 2020 and December 31, 2023 to reflect the estimated impact of the plan changes, as follows: LG&E, +2.2%; KU, +1.9%; Servco, +2.1%; LPI/WKE NU, +1.9%.
- Health care cost trend rate assumption: An annual reset is assumed at the each fiscal year-end to an initial rate of 6.60% grading down to an ultimate rate of 5.00% after 4 years. Accordingly, service cost was increased by 0.3% annually to reflect the estimated impact of this change. Similarly, APBO was increased annually to reflect the estimated impact of this change, as follows: LG&E, +0.1%; KU, +0.3%; Servco, +0.2%; LPI/WKE NU and WKE Union, no increase.
- These accounting projections are based on the January 1, 2020 valuation results provided on May 1, 2020. Except where noted above, the description of the data, assumptions, methods, plan provisions, and limitations as set forth in the accounting valuation results cover letter provided on May 1, 2020 should be considered part of these results. Please see the attached letter for a description of all other assumptions and methods used in this analysis.

**EXHIBIT \_\_\_\_ (LK-8)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 14**

**Responding Witness: Christopher M. Garrett**

- Q-14. Refer to the Company's response to AG-KIUC 1-54(d) related to the pension regulatory asset recorded as "Regulatory Asset – FAS 158 Pension" in account 182 shown on Schedule B-5.2, page 5 of 6.
- a. Confirm that the unamortized prior service costs are the portion of the pension liability that has not yet been recorded in pension cost." Confirm that the pension cost calculation includes no return or interest on the prior service cost, but it does include interest on the entire pension liability. If either of these statements are incorrect, then provide corrected statements and all support for the corrected statements.
  - b. Confirm that the net actuarial losses of the plan are reflected in the trust fund assets used to determine the net funding of the pension plan. Confirm that the pension cost calculation includes a return on the trust fund assets and that if there have been losses they are reflected in a lower return on the trust fund assets and thus, a higher pension cost. If either of these statements is incorrect, then provide corrected statements and all support for the corrected statements.
- A-14. The Company follows Accounting Standards Codification ("ASC") 715-20 for the calculation of all components of pension cost.
- a. Unamortized prior service cost is the unamortized portion of the increase or decrease in a pension plan's projected benefit obligation due to a plan amendment and is therefore included as a portion of the pension liability. Since unamortized prior service cost is a component of the entire pension liability, the calculation of the pension cost does include interest on the unamortized prior service cost. Unamortized prior service cost is not part of the asset balance on which the Expected Return on Assets (EROA) is calculated.
  - b. Net actuarial gains or losses arise either from 1) plan experience that is different from what was assumed or 2) changes in plan assumptions. Both types impact the funded status of the plan, but not all of them impact the trust

fund assets. The plan experience variances can be the result of investment performance varying from the assumed EROA or from demographic variances such as actual death rates or retirement dates varying from those assumed. Only those actuarial gains and losses arising from investment performance impact the trust funds assets. All other forms of actuarial gains and losses, most notably those actuarial gains and losses resulting from changes in discount rates, impact the calculation of the plan's liability.

One component of the calculation of pension cost is an expected return on plan assets. The expected return on plan assets is determined based on a market-related value of plan assets, which is calculated by rolling forward the prior year market-related value with contributions, disbursements and long-term expected return on investments. One-fifth of the difference between the actual value and the expected value is added (or subtracted if negative) to the expected value to determine the new market-related value. Therefore, it is confirmed that actuarial gains reduce future pension cost and actuarial losses increase future pension cost. In effect, the actuarial gains and losses serve as a mechanism to adjust future expense to reflect previously unrecognized expense as well as expected changes in the future liability.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 14**

**Responding Witness: Christopher M. Garrett**

- Q-14. Refer to the Company's response to AG-KIUC 1-54(d) related to the pension regulatory asset recorded as "Regulatory Asset – FAS 158 Pension" in account 182 shown on Schedule B-5.2, page 5 of 6.
- a. Confirm that the unamortized prior service costs are the portion of the pension liability that has not yet been recorded in pension cost." Confirm that the pension cost calculation includes no return or interest on the prior service cost, but it does include interest on the entire pension liability. If either of these statements are incorrect, then provide corrected statements and all support for the corrected statements.
  - b. Confirm that the net actuarial losses of the plan are reflected in the trust fund assets used to determine the net funding of the pension plan. Confirm that the pension cost calculation includes a return on the trust fund assets and that if there have been losses they are reflected in a lower return on the trust fund assets and thus, a higher pension cost. If either of these statements is incorrect, then provide corrected statements and all support for the corrected statements.
- A-14. The Company follows Accounting Standards Codification ("ASC") 715-20 for the calculation of all components of pension cost.
- a. Unamortized prior service cost is the unamortized portion of the increase or decrease in a pension plan's projected benefit obligation due to a plan amendment and is therefore included as a portion of the pension liability. Since unamortized prior service cost is a component of the entire pension liability, the calculation of the pension cost does include interest on the unamortized prior service cost. Unamortized prior service cost is not part of the asset balance on which the Expected Return on Assets (EROA) is calculated.
  - b. Net actuarial gains or losses arise either from 1) plan experience that is different from what was assumed or 2) changes in plan assumptions. Both types impact the funded status of the plan, but not all of them impact the trust

fund assets. The plan experience variances can be the result of investment performance varying from the assumed EROA or from demographic variances such as actual death rates or retirement dates varying from those assumed. Only those actuarial gains and losses arising from investment performance impact the trust funds assets. All other forms of actuarial gains and losses, most notably those actuarial gains and losses resulting from changes in discount rates, impact the calculation of the plan's liability.

One component of the calculation of pension cost is an expected return on plan assets. The expected return on plan assets is determined based on a market-related value of plan assets, which is calculated by rolling forward the prior year market-related value with contributions, disbursements and long-term expected return on investments. One-fifth of the difference between the actual value and the expected value is added (or subtracted if negative) to the expected value to determine the new market-related value. Therefore, it is confirmed that actuarial gains reduce future pension cost and actuarial losses increase future pension cost. In effect, the actuarial gains and losses serve as a mechanism to adjust future expense to reflect previously unrecognized expense as well as expected changes in the future liability.

**EXHIBIT \_\_\_\_ (LK-9)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 28**

**Responding Witness: Christopher M. Garrett**

- Q-28. Refer to the trial balances provided in response to AG-KIUC DR 1-8 for KU. Refer further to page 19 of 30 and to the 2020 monthly data provided for subaccounts 186074 (Cane Run 7 LTTPC Asset) and 186075 (Brown 6 and 7 LTSA Asset). Refer also to the attachment to the response to AG-KIUC DR 1-54a which shows the sum of the two subaccounts as account 186 Miscellaneous Deferred Debits LTTPC noted above for the months January 2020 through the end of the test year.
- a. Provide a description of the Cane Run 7 LTTPC Asset and provide a copy of the agreement(s) applicable to this asset balance. As part of the description, describe all parties to the agreement and explain what causes the balance to increase and to decrease month over month and why.
  - b. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Provide the journal entries to record for each month the increases and decreases to the balances month over month.
  - c. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Explain what happened in March 2020 that the balance to decrease from \$20.711 million at the end of February 2020 to only \$2.298 million at the end of March 2020.
  - d. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Explain all reasons why the monthly balances for the Cane Run 7 LTTPC Asset are included as deferred debits in FERC account 186 as opposed to prepaids in FERC account 165.
  - e. Describe and provide a copy of all analyses, source documents, and Excel workbooks in live format with all formulas intact used to quantify the monthly LTTPC Asset expense accruals to account 186074 and the charges against account 186074 for the forecast portion of the base period, the bridge period between the end of the base period and the beginning of the test year, and the test year. Annotate the expense accruals and charges to the Company's MFR rate base and expense schedules for the base year and test year.

- f. Describe the interaction of the amounts accrued to and charged against account 186074 with the generation outage expense amounts deferred to the regulatory asset as well as all underlying calculations. To the extent this is any interaction, then reconcile the amounts booked to account 186074 to the amounts booked to account 182.3.
- g. Provide a description of the Brown 6 and 7 LTSA Asset and provide a copy of the agreement(s) applicable to this asset balance. As part of the description, describe all parties to the agreement and explain what causes the balance to increase and to decrease month over month and why.
- h. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Provide the journal entries to record for each month the increases and decreases to the balances month over month.
- i. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Explain what happened in December 2020 that caused the balance to increase from \$5.001 million at the end of November 2020 to \$10.614 million at the end of December 2020.
- j. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Explain all reasons why the monthly balances for the Brown 6 and 7 LTSA Asset are included as deferred debits in FERC account 186 as opposed to prepaids in FERC account 165.
- k. Describe and provide a copy of all analyses, source documents, and Excel workbooks in live format with all formulas intact used to quantify the monthly LTSA Asset expense accruals to account 186075 and the charges against account 186075 for the forecast portion of the base period, the bridge period between the end of the base period and the beginning of the test year, and test year. Annotate the expense accruals and charges to the Company's MFR rate base and expense schedules for the base year and test year.
- l. Describe the interaction of the amounts accrued to and charged against account 186075 with the generation outage expense amounts deferred to the regulatory asset as well as all underlying calculations. To the extent this is any interaction, then reconcile the amounts booked to account 186075 to the amounts booked to account 182.3

A-28.

- a. The Companies entered the LTPC with Siemens for routine and major maintenance associated with Cane Run (CR7). The payments began in March 2015 and will end after the second major overhaul, which is projected in 2046. The contract stipulates an initial fee, an annual fixed payment, and a quarterly

variable payment based on actual Equivalent Starts or Equivalent Based Hours for each of the two combustion turbines, thus causing changes in the balance in the account month over month. The account is relieved when actual work is performed by Siemens per the agreement. Aside from the fees mentioned above, the Companies will not bear any additional future costs when the actual work is performed by Siemens. See attached. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

- b. See attached.
- c. In March 2020, Siemens performed a Hot Gas Path Inspection of the Combustion Turbines as defined in the LTTPC. Based on an engineering study, 95% of the costs associated with the CR7 LTTPC are projected to be major maintenance (capital) and the remaining 5% are projected to be routine maintenance (operating expense). A journal entry, which is included in part b., debited the costs to capital and operating expense and credited the 186 account.
- d. Per the FERC Uniform System of Accounts, FERC account 165, Prepayments, includes “amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items”. The Company notes these are primarily items that are capitalized when paid and amortized to expense over the defined period. These service agreements differ because amounts transfer as work is performed, rather than due to the passage of time. Additionally, FERC account 165, Prepayments, are included in “Current and Accrued Assets” on the FERC basis balances sheet, whereas the nature of the agreements is more long-term in nature and would more appropriately be classified within FERC account 186, Miscellaneous deferred debits.
- e. KU identified an error in preparation of this response and is providing an updated LTTPC/LTSA (Account 186) balance as shown on attachment 1 along with a comparison to the filed amounts included in the response to AG-KIUC 1-54a. Attachment 2 provides support for the corrected Cane Run LTTPC balance roll-forward.
- f. Five percent of the clearings from account 186074 are charged to generation outage expense (see *O&M work operating* in attachment 2 to part e of this response). Those expenses are then incorporated into the regulatory asset calculation for account 182.3. The amounts from the Cane Run 7 LTTPC are one component of the expense used to calculate the regulatory asset. Regulatory asset charges are in aggregate rather than by individual component (see the response to AG-KIUC-1 Question No. 37 Attachment 2). The company does not have a reconciliation between account 186074 and the regulatory asset account 182.3.

- g. The Companies entered a LTSA for Brown Units 6 and 7 with GE International (GE), formerly Alstom Power Inc., for major and routine maintenance associated with the units. GE is the Original Equipment Manufacturer and performs the maintenance. The payments began in December 2017 and will end in the quarter the agreement expires or terminates, which is the earlier of 25 years or the second Type C Hot Gas Inspection of each unit. The contract with GE stipulates a base price consisting of quarterly payments for a monthly fixed payment, a variable monthly fee based on actual Equivalent Operating Hours and Type C Hot Gas Path Inspection milestone fees, thus causing changes in the balance in the account month over month. See attached. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.
- h. See attached.
- i. In December 2020, a \$5.6 million milestone payment was made to GE per the LTSA for covered equipment in anticipation of the Brown Unit 7 Hot Gas Path Inspection to be performed in the fall of 2021.
- j. Per the FERC Uniform System of Accounts, FERC account 165, Prepayments, includes “amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items”. The Company notes these are primarily items that are capitalized when paid and amortized to expense over the defined period. These service agreements differ because amounts transfer as work is performed, rather than due to the passage of time. Additionally, FERC account 165, Prepayments, are included in “Current and Accrued Assets” on the FERC basis balances sheet, whereas the nature of the agreements is more long-term in nature and would more appropriately be classified within FERC account 186, Miscellaneous deferred debits.
- k. See attached for the corrected Brown LTSA balance roll-forward. Additionally, see the response to part e.
- l. Five percent of the clearings from account 186075 are charged to generation outage expense (see *O&M work operating* in attachment 1 to part k of this response). Those expenses are then incorporated into the regulatory asset calculation for account 182.3. The amounts from the Brown 6 and 7 LTSA are one component of the expense used to calculate the regulatory asset. Regulatory asset charges are in aggregate rather than by individual component (see the response to AG-KIUC-1 Question No. 37 Attachment 2). The Company does not have a reconciliation between account 186075 and the regulatory asset account 182.3.

Kentucky Utilities  
Balance Sheet Account Balances  
(\$000)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
186.6 - Misc Def/Debits LTFC - Corrected	24,776	25,086	6,730	7,109	7,609	8,160	8,847	9,424	9,920	10,416	10,925	11,005	17,787	18,235	18,738	19,040	19,416	19,738	20,526	21,132	21,668	16,100	12,292	12,795	13,590	14,045	6,703	7,207	7,714	8,231
186.6 - Misc Def/Debits LTFC - AS Filed	-	-	-	-	-	-	-	-	-	-	-	-	284	252	252	48	(78)	(391)	(346)	(346)	(220)	(492)	(764)	(764)	(774)	(505)	(8,367)	(8,367)	(8,367)	(8,367)
Variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Deferred Asset Roll Forward  
186075 - Brown 6 and 7 LTSA**

	2020											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		
KU Beg balance	\$ 4,815,707	\$ 4,855,174	\$ 4,899,084	\$ 4,932,597	\$ 4,932,597	\$ 10,540,439	\$ 10,566,148	\$ 10,589,597	\$ 10,620,367	\$ 10,670,302		
Cash payments	\$ 39,466	\$ 43,910	\$ 33,513	\$ 25,709	\$ 23,449	\$ 30,770	\$ 49,935	\$ 29,979				
Capital work (investing)												
O&M work (operating)												
KU End balance	\$ 4,815,707	\$ 4,899,084	\$ 4,932,597	\$ 10,540,439	\$ 10,566,148	\$ 10,589,597	\$ 10,620,367	\$ 10,670,302	\$ 10,700,281			

**Cash payments**

Variable fee	\$ 30,280	\$ 37,447	\$ 20,678	\$ 11,531	\$ 7,289	\$ 3,644	\$ 15,452	\$ 46,364	\$ 14,177
Monthly Fixed Fee	\$ 33,376	\$ 33,376	\$ 33,376	\$ 33,376	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177
Covered Equipment				\$ 9,000,000					
Field Service Instruction									
CI Outage Service Fee	\$ 63,655	\$ 70,823	\$ 54,053	\$ 9,044,907	\$ 41,465	\$ 37,821	\$ 49,629	\$ 80,541	\$ 48,353

Note - The LTSA Calculation reflects the full value of the contract and the end balance only reflects the ownership percentage (LGE 38% KU 62%).

2021		2022										
Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
\$ 10,700,281	\$ 10,765,585	\$ 10,882,226	\$ 11,006,056	\$ 11,095,225	\$ 5,055,465	\$ 790,277	\$ 821,047	\$ 853,758	\$ 884,249	\$ 933,064	\$ 980,028	\$ 1,014,869
\$ 65,304	\$ 116,640	\$ 123,830	\$ 89,169	\$ 44,589	\$ 1,819,160	\$ 30,770	\$ 32,712	\$ 30,490	\$ 48,815	\$ 46,964	\$ 34,840	\$ 60,847
			\$ (5,780,132)	\$ (5,780,132)								
			\$ (304,217)	\$ (304,217)								
\$ 10,765,585	\$ 10,882,226	\$ 11,006,056	\$ 11,095,225	\$ 5,055,465	\$ 790,277	\$ 821,047	\$ 853,758	\$ 884,249	\$ 933,064	\$ 980,028	\$ 1,014,869	\$ 1,075,715

\$ 71,153	\$ 153,953	\$ 165,550	\$ 109,645	\$ 37,741	\$ 161,229	\$ 15,452	\$ 17,764	\$ 14,181	\$ 43,738	\$ 40,752	\$ 21,197	\$ 63,143
\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,177	\$ 34,997	\$ 34,997	\$ 34,997	\$ 34,997	\$ 34,997	\$ 34,997
					\$ 588,724							
					\$ 2,150,000							
\$ 105,330	\$ 188,130	\$ 199,726	\$ 143,821	\$ 71,918	\$ 2,934,130	\$ 49,629	\$ 52,761	\$ 49,178	\$ 78,734	\$ 75,749	\$ 56,194	\$ 98,140

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 22**

**Responding Witness: Christopher M. Garrett**

- Q-22. Refer to the trial balances provided in response to AG-KIUC DR 1-8 for LG&E. Refer further to page 20 of 32 and to the 2020 monthly data provided for subaccounts 186074 (Cane Run 7 LTTPC Asset) and 186075 (Brown 6 and 7 LTSA Asset). Refer also to the attachment to the response to AG-KIUC DR 1-54a which shows the sum of the two subaccounts as account 186 Miscellaneous Deferred Debits LTTPC noted above for the months January 2020 through the end of the test year.
- a. Provide a description of the Cane Run 7 LTTPC Asset and provide a copy of the agreement(s) applicable to this asset balance. As part of the description, describe all parties to the agreement and explain what causes the balance to increase and to decrease month over month and why.
  - b. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Provide the journal entries to record for each month the increases and decreases to the balances month over month.
  - c. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Explain what happened in March 2020 that caused the balance to decrease from \$5.842 million at the end of February 2020 to only \$0.648 million at the end of March 2020.
  - d. Refer to the 2020 monthly trial balance amounts for the Cane Run 7 LTTPC Asset in account 186074. Explain all reasons why the monthly balances for the Cane Run 7 LTTPC Asset are included as deferred debits in FERC account 186 as opposed to prepaids in FERC account 165.
  - e. Describe and provide a copy of all analyses, source documents, and Excel workbooks in live format with all formulas intact used to quantify the monthly LTTPC Asset expense accruals to account 186074 and the charges against account 186074 for the forecast portion of the base period, the bridge period between the end of the base period and the beginning of the test year, and the test year. Annotate the expense accruals and charges to the Company's MFR rate base and expense schedules for the base year and test year.

- f. Describe the interaction of the amounts accrued to and charged against account 186074 with the generation outage expense amounts deferred to the regulatory asset as well as all underlying calculations. To the extent this is any interaction, then reconcile the amounts booked to account 186074 to the amounts booked to account 182.3.
- g. Provide a description of the Brown 6 and 7 LTSA Asset and provide a copy of the agreement(s) applicable to this asset balance. As part of the description, describe all parties to the agreement and explain what causes the balance to increase and to decrease month over month and why.
- h. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Provide the journal entries to record for each month the increases and decreases to the balances month over month.
- i. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Explain what happened in December 2020 that caused the balance to increase from \$3.065 million at the end of November 2020 to \$6.505 million at the end of December 2020.
- j. Refer to the 2020 monthly trial balance amounts for the Brown 6 and 7 LTSA Asset in account 186075. Explain all reasons why the monthly balances for the Brown 6 and 7 LTSA Asset are included as deferred debits in FERC account 186 as opposed to prepaids in FERC account 165.
- k. Describe and provide a copy of all analyses, source documents, and Excel workbooks in live format with all formulas intact used to quantify the monthly LTSA Asset expense accruals to account 186075 and the charges against account 186075 for the forecast portion of the base period, the bridge period between the end of the base period and the beginning of the test year, and the test year. Annotate the expense accruals and charges to the Company's MFR rate base and expense schedules for the base year and test year.
- l. Describe the interaction of the amounts accrued to and charged against account 186075 with the generation outage expense amounts deferred to the regulatory asset as well as all underlying calculations. To the extent this is any interaction, then reconcile the amounts booked to account 186075 to the amounts booked to account 182.3.

A-22.

- a. The Companies entered the LTPC with Siemens for routine and major maintenance associated with Cane Run (CR7). The payments began in March 2015 and will end after the second major overhaul, which is projected in 2046. The contract stipulates an initial fee, an annual fixed payment, and a quarterly

variable payment based on actual Equivalent Starts or Equivalent Based Hours for each of the two combustion turbines, thus causing changes in the balance in the account month over month. The account is relieved when actual work is performed by Siemens per the agreement. Aside from the fees mentioned above, the Companies will not bear any additional future costs when the actual work is performed by Siemens. See attached. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

- b. See attached.
- c. In March 2020, Siemens performed a Hot Gas Path Inspection of the Combustion Turbines as defined in the LTPC. Based on an engineering study, 95% of the costs associated with the CR7 LTPC are projected to be major maintenance (capital) and the remaining 5% are projected to be routine maintenance (operating expense). A journal entry, which is included in part b., debited the costs to capital and operating expense and credited the 186 account.
- d. Per the FERC Uniform System of Accounts, FERC account 165, Prepayments, includes “amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items”. The Company notes these are primarily items that are capitalized when paid and amortized to expense over the defined period. These service agreements differ because amounts transfer as work is performed, rather than due to the passage of time. Additionally, FERC account 165, Prepayments, are included in “Current and Accrued Assets” on the FERC basis balances sheet, whereas the nature of the agreements is more long-term in nature and would more appropriately be classified within FERC account 186, Miscellaneous deferred debits.
- e. LG&E identified an error in preparation of this response and is providing an updated LTPC/LTSA (Account 186) balance as shown on attachment 1 along with a comparison to the filed amounts included in the response to AG-KIUC 1-54a. Attachment 2 provides support for the corrected Cane Run LTPC balance roll-forward.
- f. Five percent of the clearings from account 186074 are charged to generation outage expense (see *O&M work operating* in attachment 2 to part e of this response). Those expenses are then incorporated into the regulatory asset calculation for account 182.3. The amounts from the Cane Run 7 LTPC are one component of the expense used to calculate the regulatory asset. Regulatory asset charges are in aggregate rather than by individual component (see the response to AG-KIUC-1 Question No. 37 Attachment 2). The Company does not have a reconciliation between account 186074 and the regulatory asset account 182.3.

- g. The Companies entered a LTSA for Brown Units 6 and 7 with GE International (GE), formerly Alstom Power Inc., for major and routine maintenance associated with the units. GE is the Original Equipment Manufacturer and performs the maintenance. The payments began in December 2017 and will end in the quarter the agreement expires or terminates, which is the earlier of 25 years or the second Type C Hot Gas Inspection of each unit. The contract with GE stipulates a base price consisting of quarterly payments for a monthly fixed payment, a variable monthly fee based on actual Equivalent Operating Hours and Type C Hot Gas Path Inspection milestone fees, thus causing changes in the balance in the account month over month. See attached. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.
- h. See attached.
- i. In December 2020, a \$3.4 million milestone payment was made to GE per the LTSA for covered equipment in anticipation of the Brown Unit 7 Hot Gas Path Inspection to be performed in the fall of 2021.
- j. Per the FERC Uniform System of Accounts, FERC account 165, Prepayments, includes “amounts representing prepayments of insurance, rents, taxes, interest and miscellaneous items”. The Company notes these are primarily items that are capitalized when paid and amortized to expense over the defined period. These service agreements differ because amounts transfer as work is performed, rather than due to the passage of time. Additionally, FERC account 165, Prepayments, are included in “Current and Accrued Assets” on the FERC basis balances sheet, whereas the nature of the agreements is more long-term in nature and would more appropriately be classified within FERC account 186, Miscellaneous deferred debits.
- k. See attached for the corrected Brown LTSA balance roll-forward. Additionally, see the response to part e. above.
- l. Five percent of the clearings from account 186075 are charged to generation outage expense (see *O&M work operating* in attachment 1 to part k of this response). Those expenses are then incorporated into the regulatory asset calculation for account 182.3. The amounts from the Brown 6 and 7 LTSA are one component of the expense used to calculate the regulatory asset. Regulatory asset charges are in aggregate rather than by individual component (see the response to AG-KIUC-1 Question No. 37 Attachment 2). The Company does not have a reconciliation between account 186075 and the regulatory asset account 182.3.



**Deferred Asset roll forward**  
**186074 - Cane Run 7 LTPC**

	2020												2021									
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul										
LGE Beg balance	\$	1,299,677	\$	1,428,404	\$	1,561,370	\$	1,690,298	\$	1,823,464	\$	2,036,588	\$	2,289,604	\$	2,360,626	\$	2,458,282	\$	2,587,009		
Cash payments	\$	128,727	\$	133,166	\$	128,727	\$	133,166	\$	213,124	\$	119,850	\$	71,022	\$	97,655	\$	128,727	\$	133,166		
Capital work (investing)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
O&M work (operating)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
LGE End balance	\$	1,299,677	\$	1,428,404	\$	1,561,370	\$	1,690,298	\$	1,823,464	\$	2,036,588	\$	2,289,604	\$	2,360,626	\$	2,458,282	\$	2,587,009	\$	2,720,175

**LTPC Calculation**

Variable fee	\$	561,217	\$	580,569	\$	561,217	\$	580,569	\$	522,512	\$	580,569	\$	309,637	\$	425,751	\$	561,217	\$	580,569
Annual fee	\$	398,464	\$	412,204	\$	398,464	\$	412,204	\$	370,984	\$	412,204	\$	219,842	\$	302,283	\$	398,464	\$	412,204
Materials	\$	23,908	\$	24,732	\$	23,908	\$	24,732	\$	22,259	\$	24,732	\$	13,191	\$	18,137	\$	23,908	\$	24,732
Sales tax	\$	162,753	\$	168,365	\$	162,753	\$	168,365	\$	168,365	\$	151,529	\$	89,795	\$	123,468	\$	162,753	\$	168,365
Other	\$	585,125	\$	605,301	\$	585,125	\$	605,301	\$	968,747	\$	544,771	\$	322,827	\$	443,888	\$	585,125	\$	605,301

Note - The LTPC Calculation reflects the full value of the contract and the end balance only reflects the ownership percentage (LGE 22% KU 78%).

**Deferred Asset roll forward**  
**186074 - Cane Run 7 LTPC**

	2022											
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
LGE Beg balance	\$ 2,720,175	\$ 2,853,342	\$ 2,982,069	\$ 3,115,235	\$ 3,243,963	\$ 3,377,129	\$ 3,592,172	\$ 3,712,022	\$ 1,627,551	\$ 1,756,278	\$ 1,889,444	
Cash payments	\$ 133,166	\$ 128,727	\$ 133,166	\$ 128,727	\$ 133,166	\$ 215,043	\$ 119,850	\$ 66,583	\$ 128,727	\$ 133,166	\$ 128,727	
Capital work (investing)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,043,502)	\$ -	\$ -	\$ -	
O&M work (operating)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (107,553)	\$ -	\$ -	\$ -	
LGE End balance	\$ 2,853,342	\$ 2,982,069	\$ 3,115,235	\$ 3,243,963	\$ 3,377,129	\$ 3,592,172	\$ 3,712,022	\$ 1,627,551	\$ 1,756,278	\$ 1,889,444	\$ 2,018,172	

**LTPC Calculation**

Variable fee	\$ 580,569	\$ 561,217	\$ 580,569	\$ 561,217	\$ 580,569	\$ 580,569	\$ 522,512	\$ 290,285	\$ 561,217	\$ 580,569	\$ 561,217
Annual fee	\$ 412,204	\$ 398,464	\$ 412,204	\$ 398,464	\$ 412,204	\$ 412,204	\$ 370,984	\$ 206,102	\$ 398,464	\$ 412,204	\$ 398,464
Materials	\$ 24,732	\$ 23,908	\$ 24,732	\$ 23,908	\$ 24,732	\$ 24,732	\$ 22,259	\$ 12,366	\$ 23,908	\$ 24,732	\$ 23,908
Sales tax	\$ 168,365	\$ 162,753	\$ 168,365	\$ 162,753	\$ 168,365	\$ 168,365	\$ 151,529	\$ 84,183	\$ 162,753	\$ 168,365	\$ 162,753
Other	\$ 605,301	\$ 585,125	\$ 605,301	\$ 585,125	\$ 605,301	\$ 977,469	\$ 544,771	\$ 302,651	\$ 585,125	\$ 605,301	\$ 585,125

Note - The LTPC Calculation re:

**EXHIBIT \_\_\_\_ (LK-10)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 10**

**Responding Witness: Christopher M. Garrett**

- Q-10. Provide the accounts payable outstanding for each month January 2018 through the end of the test year related to the following balance sheet accounts:
- a. Construction work in progress;
  - b. Prepayments; and
  - c. Materials and supplies
- A-10. The Company does not track Prepayment and Materials and Supplies balances included in Accounts Payable for actuals or forecasts. The Company also does not track Construction/Retirement work in progress amounts in accounts payable on a forecasted basis and therefore utilizes the lead lag study to derive the amount for both the base period and forecasted test period as shown on Schedules B-5.2B and B-5.2F in the filing requirements.
- a. See the information below related to accounts payable outstanding for Construction/Retirement work in progress for the actual months of January 2018 through August 2020.

Jan-18	\$	64,491,742
Feb-18	\$	63,765,938
Mar-18	\$	58,496,144
Apr-18	\$	73,085,780
May-18	\$	83,827,629
Jun-18	\$	68,896,702
Jul-18	\$	72,147,647
Aug-18	\$	85,834,391
Sep-18	\$	73,927,637
Oct-18	\$	79,257,891
Nov-18	\$	94,548,816
Dec-18	\$	111,105,337
Jan-19	\$	72,261,934

Feb-19	\$	65,526,232
Mar-19	\$	64,463,919
Apr-19	\$	74,838,523
May-19	\$	63,145,900
Jun-19	\$	66,988,303
Jul-19	\$	68,624,747
Aug-19	\$	58,283,920
Sep-19	\$	68,039,434
Oct-19	\$	80,058,466
Nov-19	\$	78,886,526
Dec-19	\$	71,194,151
Jan-20	\$	45,352,407
Feb-20	\$	46,779,111
Mar-20	\$	51,468,578
Apr-20	\$	54,468,954
May-20	\$	52,465,804
Jun-20	\$	59,480,067
Jul-20	\$	44,022,652
Aug-20	\$	55,420,124

**EXHIBIT \_\_\_\_ (LK-11)**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 10**

**Responding Witness: Christopher M. Garrett**

- Q-10. Provide the accounts payable outstanding for each month January 2018 through the end of the test year related to the following balance sheet accounts:
- a. Construction work in progress;
  - b. Prepayments; and
  - c. Materials and supplies
- A-10. The Company does not track Prepayment and Materials and Supplies balances included in Accounts Payable for actuals or forecasts. The Company also does not track Construction/Retirement work in progress amounts in accounts payable on a forecasted basis and therefore utilizes the lead lag study to derive the amount for both the base period and forecasted test period as shown on Schedules B-5.2B and B-5.2F in the filing requirements.
- a. See the information below related to accounts payable outstanding for Construction/Retirement work in progress for the actual months of January 2018 through August 2020.

Jan-18	\$	83,790,691
Feb-18	\$	86,266,611
Mar-18	\$	82,203,209
Apr-18	\$	83,991,996
May-18	\$	72,141,483
Jun-18	\$	65,388,238
Jul-18	\$	68,868,407
Aug-18	\$	54,682,998
Sep-18	\$	58,718,982
Oct-18	\$	69,854,584
Nov-18	\$	68,311,186
Dec-18	\$	68,390,861
Jan-19	\$	43,956,061

Feb-19	\$	39,056,869
Mar-19	\$	44,082,951
Apr-19	\$	58,994,324
May-19	\$	57,422,637
Jun-19	\$	49,717,260
Jul-19	\$	43,219,492
Aug-19	\$	48,746,487
Sep-19	\$	65,234,053
Oct-19	\$	70,915,774
Nov-19	\$	80,606,079
Dec-19	\$	69,864,349
Jan-20	\$	33,996,596
Feb-20	\$	38,398,366
Mar-20	\$	44,754,833
Apr-20	\$	44,980,383
May-20	\$	39,801,266
Jun-20	\$	55,206,899
Jul-20	\$	50,730,385
Aug-20	\$	51,036,929

**EXHIBIT \_\_\_\_ (LK-12)**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>Application Of Kentucky Power Company For:</b>	)	
<b>(1) A General Adjustment Of Its Rates For Electric</b>	)	
<b>Service; (2) An Order Approving Its 2014</b>	)	<b>Case No. 2014-00396</b>
<b>Environmental Compliance Plan; (3) An Order</b>	)	
<b>Approving Its Tariffs And Riders; And (4) An</b>	)	
<b>Order Granting All Other Required Approvals</b>	)	
<b>And Relief</b>	)	

**DIRECT TESTIMONY OF**

**RANIE K. WOHNHAS**

**ON BEHALF OF KENTUCKY POWER COMPANY**

**Amortization of Intangible Plant**  
**(Section V, Exhibit 2, Adjustment W38)**

1 **Q. WHY IS INTANGIBLE PLANT AMORTIZATION ANNUALIZED?**

2 A. The Company annualized the September 30, 2014 monthly intangible plant  
3 amortization expense and compared the result with the level of intangible plant  
4 amortization expense included in the test year. The annualized value better  
5 represents the on-going level of expense for intangible plant amortization  
6 expense. The effect of this adjustment is to increase Kentucky Power's  
7 depreciation expense and decrease the deferred taxes, as explained by Witness  
8 Bartsch, by \$209,475 and \$73,316 respectively.

**Interest Synchronization Adjustment**  
**(Section V, Exhibit 2, Adjustment W48)**

9 **Q. WHY IS AN INTEREST SYNCHRONIZATION ADJUSTMENT**  
10 **NECESSARY?**

11 A. The purpose of this adjustment is synchronize the capital costs and capital  
12 structure included by the Company in this filing with the Federal and State  
13 Income Taxes included in the test period cost of service and the interest expense  
14 tax deduction that will result. The adjustment resulted in an increase to state  
15 income tax of \$311,143 and an increase to federal income tax of \$1,790,035 for a  
16 total increase to expenses of \$2,101,178.

**AFUDC Offset Adjustment**  
**(Section V, Exhibit 2, Adjustment W52)**

17 **Q. PLEASE EXPLAIN THE AFUDC OFFSET ADJUSTMENT.**

18 A. The September 30, 2014 balance of Construction Work In Progress ("CWIP")  
19 was used in the determination of Rate Base. The adjustment eliminates all CWIP

1 related to Big Sandy in compliance with the Stipulation and Settlement  
2 Agreement. All AFUDC related to Big Sandy is also eliminated. Consistent with  
3 prior Commission practice for the Company, an Allowance for Funds Used  
4 During Construction (AFUDC) “offset” adjustment is being made to record  
5 AFUDC above the line. The non-Big Sandy CWIP balance was \$76,287,594 on  
6 September 30, 2014, of which \$2,007,095 is not subject to AFUDC. The  
7 remaining balance of \$74,280,499 is subject to AFUDC. Using the requested  
8 overall return of 7.71%, the annualized AFUDC is \$5,664,029. The AFUDC  
9 booked during the test year was \$5,521,834 requiring an adjustment to increase  
10 the AFUDC offset by \$250,424. The Deferred Federal Income Taxes (DFIT)  
11 associated with the borrowed funds portion of the \$5,664,029 is \$748,162. The  
12 booked DFIT on the borrowed funds portion was \$658,123. This increases DFIT  
13 by \$90,039.

#### **VIII. TARIFF REVISIONS**

##### **System Sales Clause** **(Tariff S.S.C.)**

14 **Q. IS THE COMPANY PROPOSING ANY MODIFICATIONS TO THE**  
15 **TREATMENT OF SYSTEM SALES OR TARIFF S.S.C. IN THIS**  
16 **PROCEEDING?**

17 **A.** Yes. First, as has been the practice in past cases, the Company proposes to update  
18 the system sales margin amount included as a credit in base rates. This updated  
19 system sales margin amount is reflected in Tariff S.S.C., the System Sales Clause.  
20 Company Witness Vaughan describes the derivation of the proposed updated  
21 system sales margin base rate credit amount in his testimony. The Company is

**EXHIBIT \_\_\_\_ (LK-13)**

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2017-00321  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2017  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2018DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOWSCHEDULE A  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL REVENUE REQUIREMENTS	
			BASE PERIOD	FORECASTED PERIOD
1	Capitalization Allocated to Electric Operations	WPA-1a, 1c	565,195,503	705,051,140
2	Operating Income	C-2	36,387,908	20,091,071
3	Earned Rate of Return (Line 2 / Line 1)		6.438%	2.850%
4	Rate of Return	J-1	7.208%	7.063%
5	Required Operating Income (Line 1 x Line 4)		40,739,292	49,938,772
6	Operating Income Deficiency (Line 5 - Line 2)		4,351,384	29,847,701
7	Gross Revenue Conversion Factor	H	1.6298147	1.6298147
8	Revenue Deficiency (Line 6 x Line 7)		7,091,950	48,646,222
9	Revenue Increase Requested	C-1	N/A	48,646,213
10	Adjusted Operating Revenues	C-1	N/A	308,857,946
11	Revenue Requirements (Line 9 + Line 10)		N/A	357,504,159

DUKE ENERGY KENTUCKY, INC.  
ELECTRIC DEPARTMENT  
CASE NO. 2017-00321  
DATA: BASE PERIOD "X" FORECASTED PERIOD  
CALCULATION OF JURISDICTIONAL CAPITALIZATION

WPA-1c  
WITNESS REPORT  
S. E. LAWLER

Line No.	Description		Capitalization	
			Total	Electric
1	Total Forecasted Period Capitalization	(1)	1,069,192,372	
2				
3	Less: Gas Non-jurisdictional Rate Base	(2)	5,927,796	
4	Electric Non-jurisdictional Rate Base	(2)	792,644	
5	Non-jurisdictional Rate Base	(2)	(50,651,265)	
6				
7				
8	Jurisdictional Capitalization		1,113,123,218	
9				
10	Electric Jurisdictional Rate Base Allocation %	(2)	72.045%	801,949,623
11				
12	Plus: Jurisdictional Electric ITC	(3)		4,354,475
13	Less: CWIP	(4)		(85,525,336)
14	Plant in Service included in ESM	(5)		<u>(15,727,622)</u>
15				
16	Total Allocated Capitalization			<u>705,051,140</u>

↑  
To Sch. A

## Notes:

(1) Schedule J-1, page 2.

(2) WPA-1d.

(3) Schedule B-6, page 2.

(4) Schedule B-4. The Company is not requesting to include recovery of CWIP in base rates.

(5) The Company will recover this plant in service through the Environmental Surcharge Mechanism

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED NOVEMBER 30, 2018  
FOR THE TWELVE MONTHS ENDED MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE A  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	DESCRIPTION	SUPPORTING SCHEDULE REFERENCE	JURISDICTIONAL REVENUE REQUIREMENTS	
			BASE PERIOD	FORECASTED PERIOD
1	Rate Base	B-1	301,171,564	313,675,239
2	Operating Income	C-2	12,958,566	14,626,290
3	Earned Rate of Return (Line 2 / Line 1)		4.300%	4.660%
4	Required Rate of Return	J-1	7.113%	7.181%
5	Required Operating Income (Line 1 x Line 4)		21,422,333	22,525,019
6	Operating Income Deficiency (Line 5 - Line 2)		8,463,767	7,898,729
7	Gross Revenue Conversion Factor	H	1.3346730	1.3346730
8	Revenue Deficiency (Line 6 x Line 7)		11,296,361	10,542,220
9	Revenue Increase Requested	C-1	N/A	10,542,199
10	Adjusted Operating Revenues	C-1	N/A	95,382,130
11	Revenue Requirements (Line 9 + Line 10)		N/A	105,924,329

DUKE ENERGY KENTUCKY, INC.  
CASE NO. 2018-00261  
JURISDICTIONAL RATE BASE SUMMARY  
AS OF NOVEMBER 30, 2018  
AS OF MARCH 31, 2020

DATA: "X" BASE PERIOD "X" FORECASTED PERIOD  
TYPE OF FILING: "X" ORIGINAL UPDATED REVISED  
WORK PAPER REFERENCE NO(S): SEE BELOW

SCHEDULE B-1  
PAGE 1 OF 1  
WITNESS RESPONSIBLE:  
S. E. LAWLER

LINE NO.	RATE BASE COMPONENT	SUPPORTING SCHEDULE REFERENCE	BASE PERIOD	13 MONTH AVG. FORECASTED PERIOD
1	Adjusted Jurisdictional Plant in Service	B-2	\$566,008,168	\$588,627,191
2	Accumulated Depreciation and Amortization	B-3 / B-3.2	<u>(179,547,144)</u>	<u>(187,541,693)</u> (1)
3	Net Plant in Service (Line 1 + Line 2)		386,461,024	401,085,498
4	Construction Work in Progress	(2)	0	0
5	Cash Working Capital Allowance	B-5	2,978,574	3,021,735
6	Other Working Capital Allowances	B-5	5,423,808	5,423,808
7	Other Items:			
8	Customers' Advances for Construction	B-6	(1,579,329)	(1,579,329)
9	Investment Tax Credits	B-6	0	0
10	Deferred Income Taxes	B-6	(60,138,891)	(62,956,258) (1)
11	Excess Deferred Income Taxes	B-6	(31,973,622)	(31,320,215)
12	Other Rate Base Adjustments	B-6	<u>0</u>	<u>0</u>
13	Jurisdictional Rate Base (Line 3 through Line 12)		<u>\$301,171,564</u>	<u>\$313,675,239</u>

(1) Includes adjustments for annualized depreciation, Schedule D-2.23, and unbilled gas costs, Schedule D-2.24.

(2) The Company is not requesting to include recovery of CWIP in base rates.

**EXHIBIT \_\_\_\_ (LK-14)**

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

The Electronic Application of Duke )  
Energy Kentucky, Inc., for: 1) An )  
Adjustment of the Natural Gas Rates; 2) ) Case No. 2018-00261  
Approval of a Decoupling Mechanism; 3) )  
Approval of New Tariffs; and 4) All )  
Other Required Approvals, Waivers, and )  
Relief. )

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**DIRECT TESTIMONY OF**  
**CYNTHIA S. LEE**  
**ON BEHALF OF**  
**DUKE ENERGY KENTUCKY, INC.**

---

August 31, 2018

1 each major property grouping. It also shows the proposed depreciation and  
2 amortization accrual rate, calculated annual depreciation and amortization expense,  
3 percentage of net salvage value, average service life and curve form, as applicable  
4 for each account. The calculated annual depreciation and amortization was  
5 determined by multiplying the 13-month average adjusted jurisdictional plant  
6 investment for the forecast period by the proposed depreciation and amortization  
7 accrual rates.

8 With this filing, the Company proposes depreciation and amortization  
9 accrual rates prepared in 2018 and sponsored by Mr. Spanos of Gannett Fleming,  
10 Inc., who prepared the depreciation study. The account numbers referred to in the  
11 depreciation study were those in effect in 2018 for Duke Energy Kentucky. The  
12 Company requests that the Commission approve these new depreciation and  
13 amortization accrual rates included in this filing and that the depreciation and  
14 amortization accrual rates be effective April 1, 2019, corresponding with the  
15 effective date of the natural gas rates established in this case.

16 **Q. PLEASE DESCRIBE SCHEDULE B-4.**

17 A. Schedule B-4 is a list of construction work in progress (CWIP) by major property  
18 grouping. Duke Energy Kentucky is not requesting to include its investment in  
19 CWIP in rate base.

**EXHIBIT \_\_\_\_ (LK-15)**

**REQUEST:**

Refer to the Application, Volume 12.1, Section B, Schedule B-1.

- a. Explain the reason(s) that Duke Kentucky is not requesting to include recovery of construction work in progress (CWIP) in base rates per footnote (2) on Schedule B-1.
- b. Explain how Duke Kentucky obtains recovery on CWIP. Provide any authority for the Company's method of recovery on CWIP.
- c. Provide the thirteen-month average of CWIP for the base period and forecasted test period and the amount of recovery Duke Kentucky is expected to receive on the CWIP investment for each period.

**RESPONSE:**

- a. Similar to its most recently approved electric rate case, Case No. 2017-00321, Duke Energy Kentucky is not requesting to include recovery of CWIP in base rates because of past Commission precedent that effectively eliminates recovery of a return on CWIP. When CWIP is included in rate base, the Commission has, in past cases, included an AFUDC offset to operating income, which was calculated by multiplying the CWIP balance times the full weighted average cost of capital. The inclusion of the AFUDC offset effectively eliminates any revenue requirement in the test year related to CWIP.

- b. See response to item a. The Company does not recover any return on CWIP in base rates.
- c. Please see STAFF-DR-01-017(d) Attachment for a revised Schedule B-4 which provides CWIP as of November 30, 2018, for the base period and the thirteen-month average as of March 31, 2020, for the forecasted period.

**PERSON RESPONSIBLE:** Sarah E. Lawler

**EXHIBIT \_\_\_\_ (LK-16)**

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

In the matter of: )  
)  
APPLICATION OF COLUMBIA GAS ) Case No. 2016-00162  
OF KENTUCKY, INC. FOR AN AD- )  
JUSTMENT OF RATES )

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**PREPARED DIRECT TESTIMONY OF  
S. MARK KATKO  
ON BEHALF OF COLUMBIA GAS OF KENTUCKY, INC.**

---

Brooke E. Wancheck,  
Assistant General Counsel  
Stephen B. Seiple, Assistant General Counsel  
Joseph M. Clark, Senior Counsel  
290 W. Nationwide Blvd.  
Columbus, Ohio 43216-0117  
Telephone: (614) 460-5558  
E-mail: bleslie@nisource.com  
sseiple@nisource.com  
josephclark@nisource.com

Richard S. Taylor  
225 Capital Avenue  
Frankfort, Kentucky 40601  
Telephone: (502) 223-8967  
Fax: (502) 226-6383  
Email: attysmitty@aol.com

Lindsey W. Ingram III  
Stoll Keenon Ogden PLLC  
300 West Vine Street, Suite 2100  
Lexington, Kentucky 40507-1801  
Telephone: (859) 231-3982  
Fax: (859): 246-3672  
Email: l.ingram@skofirm.com

May 27, 2016

Attorneys for Applicant  
**COLUMBIA GAS OF KENTUCKY, INC.**

1 A: Since Columbia is filing a forecast test period rate case, a thirteen month  
2 average calculation was used to comply with Filing Requirement 6-c.

3  
4 **Q: Please describe in detail the individual supporting schedules for**  
5 **Schedule B.**

6 A: Schedule B-2 shows Columbia's plant-in-service investment by major  
7 property grouping for the base period and the forecasted test period.  
8 Schedules B-2.1 through B-2.7 provide detail of the major property group-  
9 ings by gas plant account and show the plant additions and retirements  
10 for each account during the base period and forecasted test period.

11 Schedule B-3 shows the accumulated depreciation and amortiza-  
12 tion balances by gas plant account for the base period and the forecasted  
13 test period.

14 Workpaper WPB-2.1 provides the monthly balances of plant-in-  
15 service by gas plant account for the base period and forecasted test period.  
16 Workpaper WPB-3.1 provides the monthly balances of accumulated de-  
17 preciation and amortization by gas plant account for the base period and  
18 forecasted test period.

19 Schedule B-4 shows the amount of construction work-in-progress  
20 ("CWIP") as of February 29, 2016. Columbia has identified \$731,955 of the

1 total CWIP balance that was in-service as of February 29, 2016, but not yet  
2 classified to Account 106 or Account 101 as of that date. Therefore, this  
3 amount is included for recovery in rate base.  
4

5 **Q: How was the forecasted test period plant-in-service developed?**

6 **A:** Calculations showing the development of the forecasted monthly plant-in-  
7 service balances are found in WPB-2.2. Actual per books plant-in-service  
8 as of February 29, 2016 in Accounts 101, 106, and the in-service portion of  
9 Account 107 is the starting point for the forecast. Budgeted plant additions  
10 were then added by month and budgeted retirements were deducted by  
11 month through the forecasted test period. Monthly budgeted capital addi-  
12 tions were based on Columbia's capital budget discussed in the testimony  
13 of Columbia witness Belle and further adjusted for updated assumptions  
14 regarding the capital initiatives discussed previously in my testimony.  
15 Projected plant retirements were based on a three year average level of ac-  
16 tual retirements recorded in 2013 through 2015. Projected plant additions  
17 and retirements were then increased by 5.3 percent to reflect Columbia's  
18 ten year history of exceeding its original capital expenditure forecasts. Co-  
19 lumbia witness Belle describes Columbia's ten year budget experience.  
20

COLUMBIA GAS OF KENTUCKY, INC.  
CASE NO. 2016 - 00182  
ACCOUNT 107 CONSTRUCTION WORK IN PROGRESS IN SERVICE  
AS OF FEBRUARY 29, 2016

Data:  Base Period  Forecasted Period  
Type of Filing:  Original  Updated  
Workpaper Reference No(s). WPB-4

SCHEDULE B-4  
SHEET 1 OF 1  
WITNESS: S. M. KATKO

LINE NO.	GPA	DESCRIPTION	ACCUMULATED COSTS				TOTAL COST (H=F*G)
			TOTAL CWIP AMOUNT (D)	CONSTRUCTION AMOUNT (E)	CWIP AMOUNT IN SERVICE (F=D-E)	JURISDICTIONAL (G)	
(A)	(B)	(C)	\$	\$	\$	%	\$
1	303.00	MISC INTANGIBLE PLANT	21,987	21,987	0	100.00	0
2	303.30	MISC INTANGIBLE PLANT	707,153	707,153	0		0
3		SUBTOTAL	729,140	729,140	0		0
4	374.40	LAND RIGHTS - OTHER DIST	71,154	71,154	0		0
5	375.40	REGULATING STRUCTURES	90,409	90,409	0		0
6	375.70	OTHER STRUCTURES	42,869	42,869	0		0
7	375.71	OTHER STRUCTURES-LEASED	26,357	26,357	0		0
8	376.00	MAINS	5,256,891	4,524,168	732,723		732,723
9	378.20	M&R EQUIP-GENERAL-REG	279,184	279,952	(768)		(768)
10	380.00	SERVICES	93,161	93,161	0		0
11	381.00	METERS	(21,903)	(21,903)	0		0
12	382.00	METER INSTALLATIONS	(14,872)	(14,872)	0		0
13	383.00	HOUSE REGULATORS	8,213	8,213	0		0
14	385.00	IND M&R EQUIPMENT	116,522	116,522	0		0
15	387.45	OTHER EQ-TELEMETERING	357,362	357,362	0		0
16		SUBTOTAL	6,305,349	5,573,394	731,955		731,955
17	391.10	OFF FUR & EQ UNSPECIF	21,458	21,458	0		0
18	391.12	OFF FUR & EQ INFORM. SYS.	63,206	63,206	0		0
19	394.30	TOOLS & OTHER	7,365	7,365	0		0
20		SUBTOTAL	92,029	92,029	0		0
21	TOTAL		7,126,518	6,394,563	731,955		731,955

**EXHIBIT \_\_\_\_ (LK-17)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 23**

**Responding Witness: Christopher M. Garrett**

- Q-23. Provide a schedule showing jurisdictional actual O&M expenses by year and by FERC O&M/A&G expense account/subaccount for each of the calendar years 2015 through 2019, 2020 to date (identify the last month with actual data), the base year and the test year.
- A-23. See attached for the KU information.

Account	REPORTING YEARS				
	2015	2016	2017	2018	2019
<b>1. POWER PRODUCTION EXPENSES</b>					
<b>A. Steam Power Generation</b>					
Operation					
(500) Operation Supervision and Engineering	5,418,923	5,700,638	7,235,488	6,693,366	7,482,906
(501) Fuel	274,405,487	276,444,963	281,464,104	313,838,901	320,164,104
(502) Steam Expenses	21,622,628	20,431,136	15,107,643	16,404,346	18,322,656
(503) Electric Expenses	8,130,854	7,151,236	7,406,203	7,153,526	6,969,503
(506) Miscellaneous Steam Power Expenses	25,402,795	26,391,025	22,409,154	23,506,270	27,139,201
(507) Rents	-	-	9,387	-	10,431
(509) Allowances	-	846	2,052	3,022	3,429
<b>TOTAL Operation</b>	<b>334,980,688</b>	<b>336,119,943</b>	<b>333,624,658</b>	<b>367,599,017</b>	<b>380,092,236</b>
Maintenance					
(510) Maintenance Supervision and Engineering	12,301,304	10,733,365	9,560,532	8,956,463	7,869,712
(511) Maintenance of Structures	10,051,562	10,412,031	9,714,728	8,741,685	6,977,197
(512) Maintenance of Boiler Plant	49,269,205	39,065,952	45,052,638	43,502,793	38,118,564
(513) Maintenance of Electric Plant	12,209,687	8,206,336	10,324,845	9,945,521	7,832,758
(514) Maintenance of Miscellaneous Steam Plant	3,446,376	2,913,541	3,023,680	3,058,590	2,528,740
<b>TOTAL Maintenance</b>	<b>87,478,134</b>	<b>71,351,425</b>	<b>77,676,444</b>	<b>74,205,052</b>	<b>63,327,971</b>
<b>TOTAL Power Production Expenses - Steam Power</b>	<b>422,458,821</b>	<b>407,471,368</b>	<b>411,301,102</b>	<b>441,804,069</b>	<b>443,420,208</b>
<b>B. Hydraulic Power Generation</b>					
Operation					
(535) Operation Supervision and Engineering	-	-	-	-	-
(536) Water for Power	-	-	-	-	-
(538) Electric Expenses	-	-	10,045	-	-
(539) Misc. Hydraulic Power Generation Exp.	10,609	32,126	38,279	58,211	33,950
(540) Rents	-	-	-	-	-
<b>TOTAL Operation</b>	<b>10,609</b>	<b>32,126</b>	<b>38,279</b>	<b>68,256</b>	<b>33,950</b>
Maintenance					
(541) Maintenance Supervision and Engineering	182,692	134,909	220,064	165,726	106,848
(542) Maintenance of Structures	163,428	230,378	218,314	98,108	78,092
(543) Maintenance of Reservoirs, Dams, and Waterways	25,704	15,775	59,416	61,004	69,859
(544) Maintenance of Electric Plant	75,495	71,661	43,429	5,103	4,723
(545) Maintenance of Misc. Hydraulic Plant	131,530	12,451	541,223	329,942	260,354
<b>TOTAL Maintenance</b>	<b>578,849</b>	<b>465,174</b>	<b>579,502</b>	<b>398,197</b>	<b>294,303</b>
<b>TOTAL Power Production Expenses - Hydraulic Power</b>	<b>589,458</b>	<b>497,300</b>	<b>990,781</b>	<b>466,453</b>	<b>328,253</b>
<b>C. Other Power Generation</b>					
Operation					
(546) Operation Supervision and Engineering	647,260	890,472	1,305,253	1,163,543	1,012,701
(547) Fuel	107,114,208	89,217,329	115,346,279	123,582,240	95,955,806
(548) Generation Expenses	682,059	507,057	476,870	496,849	448,825
(549) Miscellaneous Other Power Generation Expenses	5,376,587	4,610,647	4,232,267	3,719,357	5,566,092
(550) Rents	9,693	4,769	8,848	15,643	20,079
<b>TOTAL Operation</b>	<b>113,829,808</b>	<b>95,230,274</b>	<b>121,369,517</b>	<b>128,977,633</b>	<b>103,003,504</b>
Maintenance					
(551) Maintenance Supervision and Engineering	911,492	775,272	471,499	469,414	461,768
(552) Maintenance of Structures	876,396	1,425,306	1,338,926	1,415,885	976,621
(553) Maintenance of Generating and Electric Plant	7,236,966	3,705,748	3,064,087	2,796,943	3,174,612
(554) Maintenance of Misc. Other Power Gen. Plant	5,979,786	2,941,277	2,851,761	2,192,392	3,322,910
<b>TOTAL Maintenance</b>	<b>15,004,640</b>	<b>8,847,603</b>	<b>7,726,273</b>	<b>6,874,634</b>	<b>7,993,699</b>
<b>TOTAL Power Production Expenses - Other Power</b>	<b>128,834,449</b>	<b>104,077,877</b>	<b>129,095,790</b>	<b>135,852,267</b>	<b>110,939,414</b>
<b>D. Other Power Supply Expenses</b>					
(555) Purchased Power	48,707,778	36,093,978	40,711,642	39,189,505	40,202,218
(556) System Control and Load Dispatching	2,300,266	2,114,596	1,621,304	1,583,513	1,673,504
(557) Other Expenses	171,386	163,990	161,624	253,616	564
<b>TOTAL Other Power Supply Expenses</b>	<b>51,179,430</b>	<b>38,372,964</b>	<b>42,494,569</b>	<b>41,026,634</b>	<b>41,876,286</b>
<b>TOTAL Power Production Expenses</b>	<b>603,062,158</b>	<b>550,419,510</b>	<b>603,062,158</b>	<b>619,081,168</b>	<b>596,530,211</b>
<b>2. TRANSMISSION EXPENSES</b>					
Operation					
(560) Operation Supervision and Engineering	1,854,542	2,277,286	1,431,261	1,427,131	1,490,058
(561) Load Dispatching	4,510,239	3,310,417	3,633,862	3,568,793	3,504,648
<b>TOTAL TRANSMISSION EXPENSES</b>	<b>6,364,781</b>	<b>5,587,703</b>	<b>5,065,123</b>	<b>4,995,924</b>	<b>5,004,706</b>
<b>TOTAL POWER PRODUCTION EXPENSES</b>	<b>1,237,921,109</b>	<b>1,155,818,583</b>	<b>1,232,123,673</b>	<b>1,225,163,355</b>	<b>1,204,535,124</b>
<b>Other</b>					
(562) Other	8,718,704	8,209,001	7,482,906	6,693,366	7,482,906
(563) Other	382,670,222	326,558,415	320,164,104	313,838,901	320,164,104
(564) Other	19,877,540	18,813,174	18,322,656	16,404,346	15,107,643
(565) Other	7,169,076	6,884,097	6,969,503	7,153,526	6,969,503
(566) Other	26,575,930	27,777,477	27,139,201	23,506,270	22,409,154
(567) Other	10,431	10,431	9,387	-	-
(568) Other	15,844	4,500	3,429	3,022	2,052
(569) Other	445,028,746	388,257,098	380,092,236	367,599,017	333,624,658
(570) Other	7,629,666	7,762,464	7,869,712	8,159,813	8,159,813
(571) Other	6,698,839	6,921,951	6,977,197	7,762,464	6,977,197
(572) Other	39,219,851	36,540,673	38,118,564	43,502,793	38,118,564
(573) Other	14,582,408	8,521,472	7,832,758	9,945,521	8,521,472
(574) Other	2,434,141	2,840,201	2,528,740	3,058,590	2,434,141
(575) Other	70,564,905	63,824,623	63,327,971	74,205,052	77,676,444
(576) Other	515,593,651	452,081,721	443,420,208	441,804,069	411,301,102
(577) Other	-	-	-	-	-
(578) Other	-	-	-	-	-
(579) Other	-	-	-	-	-
(580) Other	52,734	11,669	33,950	68,256	38,279
(581) Other	113,619	104,758	106,848	165,726	220,064
(582) Other	708,241	162,574	78,092	98,108	218,314
(583) Other	5,591	-	-	-	-
(584) Other	39,359	59,047	69,859	61,004	59,416
(585) Other	4,723	4,970	5,555	5,103	4,329
(586) Other	871,533	331,349	260,354	329,942	541,223
(587) Other	924,268	343,018	294,303	398,197	579,502
(588) Other	602,404	1,080,185	1,012,701	1,163,543	1,305,253
(589) Other	93,170,877	109,131,766	95,955,806	123,582,240	115,346,279
(590) Other	343,108	418,689	448,825	496,849	476,870
(591) Other	2,350,180	3,355,735	5,566,092	3,719,357	4,232,267
(592) Other	22,141	19,748	20,079	15,643	8,848
(593) Other	96,488,711	114,006,125	103,003,504	128,977,633	121,369,517
(594) Other	83,927	359,605	461,768	469,414	471,499
(595) Other	551,017	934,968	976,621	1,415,885	1,338,926
(596) Other	2,681,158	3,400,471	3,174,612	2,796,943	3,064,087
(597) Other	2,088,372	3,298,655	3,322,910	2,192,392	2,851,761
(598) Other	5,404,474	7,993,699	7,993,699	6,874,634	7,726,273
(599) Other	101,893,186	121,999,823	110,939,414	135,852,267	129,095,790
(600) Other	45,721,849	34,419,009	40,202,218	39,189,505	40,711,642
(601) Other	1,708,891	1,690,326	1,673,504	1,583,513	1,621,304
(602) Other	74,218	23,750	564	253,616	161,624
(603) Other	47,504,959	36,133,095	41,876,286	41,026,634	42,494,569
(604) Other	665,916,063	610,557,647	596,530,211	619,081,168	583,470,962
(605) Other	1,488,844	1,488,844	1,490,058	1,427,131	1,431,261
(606) Other	3,630,977	3,630,977	3,504,648	3,568,793	3,633,862
(607) Other	5,004,706	5,004,706	5,004,706	5,004,706	5,004,706
(608) Other	1,204,535,124	1,204,535,124	1,204,535,124	1,204,535,124	1,204,535,124

Kentucky Utilities Company  
Kentucky Jurisdictional

Account	REPORTING YEARS							
	Test Year	Base Period	2020 (1)	2019	2018	2017	2016	2015
(562) Station Expenses	1,170,142	1,138,212	1,092,702	1,428,520	1,106,443	1,172,365	1,116,970	
(563) Overhead Lines Expense	1,105,850	803,390	707,241	783,348	562,232	544,388	633,632	
(565) Transmission of Electricity by Others	2,973,402	3,324,446	3,178,327	2,955,334	2,863,935	3,034,545	3,010,155	
(566) Miscellaneous Transmission Expenses	24,246,266	23,052,778	22,229,403	14,512,780	11,746,298	10,929,570	9,818,076	
(567) Rents	169,306	102,766	239,239	149,886	131,772	133,690	135,516	
<b>TOTAL Operation</b>	<b>36,029,747</b>	<b>34,012,294</b>	<b>32,514,035</b>	<b>24,824,791</b>	<b>21,405,386</b>	<b>20,934,379</b>	<b>19,974,432</b>	
Maintenance								328
(569) Maintenance of Structures	1,969,389	1,801,608	1,674,575	1,508,062	1,456,697	1,749,649	2,342,902	
(570) Maintenance of Station Equipment	10,707,630	9,495,644	9,884,534	11,090,485	7,894,582	5,358,285	5,461,095	
(571) Maintenance of Overhead Lines	217,390	168,213	346,598	278,938	265,366	296,056	521,752	
(573) Maintenance of Misc. Transmission Plant	12,894,609	11,465,465	11,905,708	12,877,485	9,616,865	7,403,989	8,326,076	
<b>TOTAL Maintenance</b>	<b>48,924,356</b>	<b>45,477,759</b>	<b>44,419,742</b>	<b>37,702,276</b>	<b>31,022,251</b>	<b>28,338,368</b>	<b>28,300,509</b>	
<b>3. REGIONAL MARKET EXPENSES</b>								
Operation								
(575.7) Market Facilitation, Monitoring and Compliance Svcs	-	939	2,874	5,446	(160,447)	(331,025)	(308,282)	
<b>TOTAL Operation</b>	<b>-</b>	<b>939</b>	<b>2,874</b>	<b>5,446</b>	<b>(160,447)</b>	<b>(331,025)</b>	<b>(308,282)</b>	
<b>4. DISTRIBUTION EXPENSES</b>								
Operation								
(580) Operation Supervision and Engineering	1,911,255	1,684,454	1,716,646	1,690,368	1,552,754	1,475,129	1,306,476	
(581) Load Dispatching	438,256	418,446	363,602	387,836	430,632	432,205	491,839	
(582) Stations Expenses	2,231,084	2,028,917	1,880,647	1,751,893	1,849,814	1,886,994	1,834,392	
(583) Overhead Line Expenses	6,598,429	5,885,441	5,683,444	6,418,314	5,796,158	5,339,475	5,097,837	
(584) Underground Line Expenses	41,724	1,265,702	1,511,526	-	-	-	861	
(585) Street Lighting and Signal System Expenses	-	-	-	-	-	-	1,205	
(586) Meter Expenses	9,700,980	9,124,987	8,656,453	7,655,981	7,304,851	7,327,091	7,373,471	
(587) Customer Installations Expenses	8,491,579	7,001,603	7,834,101	7,130,362	(14,543)	(50,688)	(50,254)	
(588) Miscellaneous Expenses	-	-	-	-	-	-	6,704	
(589) Rents	-	-	-	-	-	-	8,648	
<b>TOTAL Operation</b>	<b>29,413,306</b>	<b>27,409,550</b>	<b>27,646,420</b>	<b>25,044,973</b>	<b>23,096,687</b>	<b>21,926,304</b>	<b>20,569,125</b>	
Maintenance								
(590) Maintenance Supervision and Engineering	50,915	16,967	8,549	23,441	63,392	16,476	142,331	
(592) Maintenance of Station Equipment	1,421,212	1,341,351	2,045,395	1,255,115	1,016,357	1,081,302	914,250	
(593) Maintenance of Overhead Lines	28,071,515	27,583,167	29,729,105	30,449,534	27,464,920	28,942,543	28,900,164	
(594) Maintenance of Underground Lines	483,282	447,905	417,808	407,106	368,292	475,896	426,808	
(595) Maintenance of Line Transformers	106,084	76,751	71,422	147,122	137,647	93,258	88,312	
(596) Maintenance of Street Lighting and Signal Systems	-	-	159	-	-	-	424	
(597) Maintenance of Meters	28	-	-	-	-	-	-	
(598) Maintenance of Miscellaneous Distribution Plant	584,150	392,986	402,020	364,541	319,727	375,876	118,152	
(880) Maintenance of Miscellaneous Gas Distribution Plant	-	-	-	-	-	-	-	
<b>TOTAL Maintenance</b>	<b>30,717,186</b>	<b>29,859,127</b>	<b>32,674,438</b>	<b>32,646,860</b>	<b>29,370,336</b>	<b>30,985,351</b>	<b>30,590,441</b>	
<b>TOTAL DISTRIBUTION EXPENSES</b>	<b>60,130,492</b>	<b>57,268,677</b>	<b>60,320,857</b>	<b>57,691,833</b>	<b>52,467,024</b>	<b>51,911,655</b>	<b>51,159,567</b>	
Operation								
(901) Supervision	4,235,757	3,955,026	3,813,779	3,841,655	3,605,250	3,383,062	3,699,196	
(902) Meter Reading Expenses	9,902,132	9,255,912	7,394,491	5,203,778	4,861,236	5,116,893	4,748,582	
(903) Customer Records and Collection Expenses	21,487,653	20,569,227	19,632,439	19,035,239	18,521,386	17,492,377	16,513,620	
(904) Uncollectible Accounts	4,646,049	5,283,732	3,655,172	4,930,332	4,012,408	4,016,880	4,550,006	
(905) Miscellaneous Customer Accounts Expenses	165,801	129,986	(20,480)	26,616	2,624	8,077	3,214	
<b>TOTAL Customer Accounts Expenses</b>	<b>40,437,391</b>	<b>39,193,883</b>	<b>34,475,400</b>	<b>33,037,620</b>	<b>31,002,904</b>	<b>30,017,289</b>	<b>29,514,617</b>	
<b>6. CUSTOMER SERVICE AND INFORMATIONAL EXP.</b>								
Operation								
(907) Supervision	368,993	482,913	614,326	610,383	551,749	534,702	356,382	
(908) Customer Assistance Expenses	9,171,811	7,736,804	7,645,412	14,097,081	19,794,923	20,016,357	16,774,813	
(909) Informational and Instructional Expenses	1,698,677	1,795,623	1,350,821	660,923	469,513	431,357	696,960	
(910) Misc. Customer Service and Informational Expenses	1,818,935	1,960,632	1,783,300	1,381,282	1,248,379	1,499,994	663,454	
<b>TOTAL Customer Service and Informational Expenses</b>	<b>13,058,416</b>	<b>11,975,971</b>	<b>11,393,859</b>	<b>16,749,669</b>	<b>22,064,514</b>	<b>22,482,414</b>	<b>18,491,609</b>	
<b>7. SALES EXPENSES</b>								
Operation								
(912) Demonstrating and Selling Expenses	121,604	60,802	278,846	-	-	-	-	
(913) Advertising Expenses	1,040,532	843,275	1,104,764	935,729	751,078	775,175	291,103	
<b>TOTAL SALES EXPENSES</b>	<b>1,162,136</b>	<b>904,077</b>	<b>1,383,610</b>	<b>935,729</b>	<b>751,078</b>	<b>775,175</b>	<b>291,103</b>	

Kentucky Utilities Company  
Kentucky Jurisdictional

Account	Test Year	Base Period	REPORTING YEARS				
			2019	2017	2016	2015	
<b>8. ADMINISTRATIVE AND GENERAL EXPENSES</b>							
Operation:							
(920) Administrative and General Salaries	32,982,894	31,207,928	33,718,233	31,856,047	31,408,955	32,527,570	
(921) Office Supplies and Expenses	10,307,282	9,791,246	9,214,164	7,509,866	6,092,423	6,726,587	
(Less) (922) Administrative Exp. Transferred-Credit	(6,211,522)	(5,638,873)	(5,210,489)	(4,994,656)	(4,816,186)	(4,409,850)	
(923) Outside Services Employed	21,332,833	18,041,457	16,368,749	13,257,011	16,212,636	17,673,868	
(924) Property Insurance	8,726,372	6,974,168	5,765,036	4,905,863	5,396,690	5,057,893	
(925) Injuries and Damages	4,777,652	3,500,577	5,899,784	4,935,488	4,178,214	4,276,368	
(926) Employee Pensions and Benefits	31,472,418	25,727,445	25,408,113	26,858,766	31,210,425	32,669,043	
(927) Franchise Requirements	-	-	-	-	-	-	
(928) Regulatory Commission Expenses	851,305	2,080,042	1,904,695	1,811,571	1,352,346	1,109,506	
(929) (Less) Duplicate Charges-Cr.	-	-	-	-	-	-	
(930.1) General Advertising Expenses	2,822	1,191	-	29,014	1,862	112,756	
(930.2) Miscellaneous General Expenses	3,314,333	3,416,415	4,409,090	4,487,527	4,328,297	3,830,990	
(931) Rents	3,079,062	3,189,160	3,240,295	2,811,439	2,537,263	1,840,985	
<b>TOTAL Operation</b>	<b>110,636,452</b>	<b>98,230,755</b>	<b>100,077,733</b>	<b>97,707,097</b>	<b>97,982,756</b>	<b>105,934,209</b>	
Maintenance							
(935) Maintenance of General Plant	1,672,323	1,610,532	2,013,081	1,475,795	1,379,743	2,215,922	
<b>TOTAL Admin &amp; General Expenses</b>	<b>112,308,775</b>	<b>99,841,287</b>	<b>102,090,815</b>	<b>99,182,893</b>	<b>98,299,433</b>	<b>108,150,131</b>	
<b>TOTAL Electric Operation and Maintenance Expenses</b>	<b>879,083,724</b>	<b>805,082,104</b>	<b>837,558,119</b>	<b>864,386,635</b>	<b>843,703,711</b>	<b>901,515,317</b>	

(1) 2020 jurisdictional expenses were not available at the time this data request was submitted.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 22**

**Responding Witness: Christopher M. Garrett**

- Q-22. Provide a schedule showing per books actual O&M expenses by year and by FERC O&M/A&G expense account/subaccount for each of the calendar years 2015 through 2019, 2020 to date (identify the last month with actual data), the base year and the test year.
- A-22. See attached for the LG&E information.

Louisville Gas and Electric Company  
Total Electric

Account	Test Year	Base Year	REPORTING YEARS							
			2020	2019	2018	2017	2016	2015		
<b>I. POWER PRODUCTION EXPENSES</b>										
<b>A. Steam Power Generation</b>										
Operation										
(500) Operation Supervision and Engineering	5,359,919	4,250,295	3,897,818	5,420,308	4,862,392	4,953,655	5,202,523	5,202,523	7,778,894	
(501) Fuel	235,364,259	213,062,808	214,740,586	246,447,762	254,422,858	255,985,169	265,508,539	265,508,539	293,363,305	
(502) Steam Expenses	19,277,414	20,407,418	18,907,505	17,897,346	17,684,948	17,007,688	17,319,972	17,319,972	24,037,462	
(504) Steam Transferred-Cr.									(5,774)	
(505) Electric Expenses	2,353,024	2,597,950	2,995,827	2,983,713	2,857,716	2,617,433	2,565,759	2,565,759	1,656,803	
(506) Miscellaneous Steam Power Expenses	16,437,786	15,686,081	14,828,238	13,654,490	14,450,722	16,179,078	16,024,641	16,024,641	16,389,656	
(507) Rents	-	12,000	27,000	36,360	36,540	36,000	36,000	36,000	41,154	
(509) Allowances		1	2	2	3	3	75	75	4,471	
<b>TOTAL Operation</b>	<b>278,792,402</b>	<b>256,016,554</b>	<b>255,396,976</b>	<b>286,439,981</b>	<b>294,316,179</b>	<b>296,779,026</b>	<b>306,657,509</b>	<b>306,657,509</b>	<b>343,265,971</b>	
(510) Maintenance Supervision and Engineering	8,141,536	6,738,554	6,824,056	5,379,062	5,189,632	4,791,358	4,791,358	4,791,358	3,346,838	
(511) Maintenance of Structures	3,444,669	3,788,809	3,854,749	4,056,331	3,055,930	2,488,939	3,611,593	3,611,593	2,753,377	
(512) Maintenance of Boiler Plant	35,468,576	33,925,234	32,010,184	34,882,284	33,251,883	31,647,418	32,427,625	32,427,625	38,558,839	
(513) Maintenance of Electric Plant	14,018,415	8,830,855	7,673,375	9,326,280	9,059,884	6,941,782	7,528,866	7,528,866	5,973,295	
(514) Maintenance of Miscellaneous Steam Plant	1,551,793	1,535,352	1,904,625	2,348,075	2,348,614	2,397,858	2,524,165	2,524,165	9,599,669	
<b>TOTAL Maintenance</b>	<b>62,624,989</b>	<b>54,818,804</b>	<b>52,266,989</b>	<b>56,187,032</b>	<b>53,235,274</b>	<b>48,337,555</b>	<b>50,884,207</b>	<b>50,884,207</b>	<b>60,232,018</b>	
<b>TOTAL Power Production Exp - Steam Power</b>	<b>341,417,391</b>	<b>310,835,357</b>	<b>307,663,965</b>	<b>342,627,013</b>	<b>347,551,453</b>	<b>345,116,581</b>	<b>357,541,716</b>	<b>357,541,716</b>	<b>403,497,989</b>	
<b>B. Hydraulic Power Generation</b>										
Operation										
(533) Operation Supervision and Engineering	116,778	127,803	167,626	157,040	124,769	130,252	126,199	126,199	124,513	
(536) Water for Power	43,212	39,562	38,884	38,814	39,284	39,136	39,092	39,092	39,039	
(538) Electric Expenses	324,155	349,154	332,363	337,502	371,509	370,671	304,697	304,697	267,947	
(539) Misc. Hydraulic Power Generation Exp.	213,613	268,600	245,048	123,378	207,833	140,113	127,472	127,472	199,153	
(540) Rents	568,902	503,307	499,058	354,983	403,362	524,198	588,213	588,213	477,265	
<b>TOTAL Operation</b>	<b>1,266,660</b>	<b>1,288,427</b>	<b>1,282,979</b>	<b>1,013,717</b>	<b>1,146,757</b>	<b>1,204,370</b>	<b>1,185,673</b>	<b>1,185,673</b>	<b>1,107,917</b>	
Maintenance										
(542) Maintenance of Structures	323,993	314,031	100,045	560,183	317,087	282,081	255,450	255,450	317,142	
(543) Maintenance of Reservoirs, Dams, and Waterways	222,489	122,137	79,413	171,323	163,206	362,909	96,840	96,840	200,701	
(544) Maintenance of Electric Plant	327,894	316,652	183,453	393,466	433,419	314,546	354,203	354,203	337,879	
(545) Maintenance of Misc. Hydraulic Plant	56,196	29,583	21,447	76,213	69,074	64,377	56,922	56,922	35,117	
<b>TOTAL Maintenance</b>	<b>930,572</b>	<b>782,403</b>	<b>386,358</b>	<b>1,201,185</b>	<b>984,786</b>	<b>923,913</b>	<b>763,415</b>	<b>763,415</b>	<b>890,839</b>	
<b>TOTAL Power Production Exp - Hydraulic Power</b>	<b>2,197,232</b>	<b>2,070,830</b>	<b>1,669,337</b>	<b>2,214,902</b>	<b>2,131,543</b>	<b>2,128,283</b>	<b>1,949,088</b>	<b>1,949,088</b>	<b>1,998,756</b>	
<b>C. Other Power Generation</b>										
Operation										
(546) Operation Supervision and Engineering	187,484	261,229	253,471	387,083	371,890	322,194	343,577	343,577	187,899	
(547) Fuel	43,921,446	35,237,908	33,480,754	47,105,360	59,380,204	44,131,857	45,158,928	45,158,928	46,198,399	
(548) Generation Expenses	300,829	238,718	316,997	244,808	273,056	239,454	213,926	213,926	182,717	
(549) Miscellaneous Other Power Generation Expenses	1,742,424	1,474,296	1,441,919	1,336,703	1,249,297	3,111,829	1,131,762	1,131,762	811,542	
(550) Rents	11,652	5,735	4,170	11,188	14,752	18,292	18,193	18,193	21,165	
<b>TOTAL Operation</b>	<b>46,163,835</b>	<b>37,217,887</b>	<b>35,497,311</b>	<b>49,085,142</b>	<b>61,289,199</b>	<b>47,823,626</b>	<b>46,866,386</b>	<b>46,866,386</b>	<b>47,401,722</b>	
Maintenance										
(551) Maintenance Supervision and Engineering	272,764	236,687	265,660	150,900	160,048	135,066	127,494	127,494	33,920	
(552) Maintenance of Structures	235,911	728,037	440,410	400,953	444,374	296,867	298,357	298,357	110,714	
(553) Maintenance of Generating and Electric Plant	3,098,761	1,614,571	1,796,226	2,040,756	1,673,231	1,543,469	1,768,527	1,768,527	1,410,206	
(554) Maintenance of Misc. Other Power Gen. Plant	1,896,209	944,771	784,381	915,862	733,426	1,099,464	1,111,910	1,111,910	682,039	
<b>TOTAL Maintenance</b>	<b>5,503,645</b>	<b>3,524,067</b>	<b>3,286,677</b>	<b>3,508,471</b>	<b>3,011,079</b>	<b>3,074,866</b>	<b>3,306,288</b>	<b>3,306,288</b>	<b>2,236,879</b>	
<b>TOTAL Power Production Expenses - Other Power</b>	<b>51,667,480</b>	<b>40,741,954</b>	<b>38,783,988</b>	<b>52,593,613</b>	<b>64,300,278</b>	<b>50,898,492</b>	<b>50,172,674</b>	<b>50,172,674</b>	<b>49,638,601</b>	

Louisville Gas and Electric Company  
Total Electric

Account	Test Year	Base Year	REPORTING YEARS					2015
			2020	2019	2018	2017	2016	
D. Other Power Supply Expenses	44,518,297	52,526,749	53,019,808	46,283,163	55,805,401	53,308,448	55,379,006	59,903,876
(555) Purchased Power	1,775,597	1,376,209	1,798,590	1,185,281	1,175,828	1,158,600	1,105,413	1,266,897
(556) System Control and Load Dispatching	194,385	183,274	111,782	88,697	687,242	(54,109)	46,863	724,813
(557) Other Expenses	46,488,779	54,086,232	54,930,180	47,557,141	57,668,471	54,412,939	56,531,282	61,895,586
TOTAL Other Power Supply Expenses	441,770,883	407,734,372	403,047,470	444,992,669	471,651,745	452,556,295	466,194,760	517,030,932
TOTAL Power Production Expenses								
2. TRANSMISSION EXPENSES								
Operation								
(560) Operation Supervision and Engineering	1,374,229	1,418,195	967,762	861,686	859,705	892,859	889,517	947,956
(561) Load Dispatching	2,719,716	1,951,562	2,260,875	2,326,470	2,380,493	2,089,560	2,174,054	2,138,813
(562) Station Expenses	1,022,714	947,762	793,010	731,324	958,142	800,907	857,977	1,574,738
(563) Overhead Lines Expense	293,742	247,045	248,387	263,378	339,816	191,250	336,947	287,353
(565) Transmission of Electricity by Others	998,725	1,034,122	266,138	676,503	1,311,943	627,209	639,923	792,961
(566) Miscellaneous Transmission Expenses	12,977,686	11,865,863	11,481,182	11,309,277	8,038,863	6,522,066	6,259,347	5,887,745
(567) Rents	61,385	72,601	73,149	67,522	61,927	51,090	55,635	19,330
TOTAL Operation	19,448,197	17,537,151	16,090,503	16,236,160	13,950,889	11,174,941	11,213,400	11,648,896
Maintenance								
(569) Maintenance of Structures	-	-	-	-	-	-	-	-
(570) Maintenance of Station Equipment	1,720,071	1,542,922	1,397,627	1,573,029	1,960,913	1,481,214	1,636,156	1,659,818
(571) Maintenance of Overhead Lines	7,356,001	5,510,147	6,225,031	6,513,040	4,492,113	2,496,853	1,945,145	932,134
(573) Maintenance of Misc. Transmission Plant	236,185	176,737	263,743	251,586	210,210	190,202	198,928	266,398
TOTAL Maintenance	9,312,257	7,229,805	7,886,401	8,337,655	6,663,236	4,168,269	3,780,229	2,838,350
TOTAL Transmission Expenses	28,760,454	24,766,955	23,976,904	24,573,815	20,614,125	15,343,210	14,993,629	14,487,246
3. REGIONAL MARKET EXPENSES								
Operation								
(575.7) Market Facilitation, Monitoring and Compliance Svcs	-	122	1,865	7,075	10,086	(123,555)	(257,187)	(272,709)
TOTAL Operation	-	122	1,865	7,075	10,086	(123,555)	(257,187)	(272,709)
4. DISTRIBUTION EXPENSES								
Operation								
(580) Operation Supervision and Engineering	2,397,039	1,926,914	1,796,267	2,159,838	2,422,065	1,712,305	1,469,807	1,580,294
(581) Load Dispatching	292,953	253,245	238,533	213,647	309,019	638,892	687,246	745,703
(582) Stations Expenses	1,764,640	1,924,884	2,392,080	2,135,796	2,179,630	1,887,389	1,948,015	1,534,124
(583) Overhead Line Expenses	5,783,700	5,043,191	5,038,177	5,033,431	8,985,655	5,498,580	5,588,737	5,512,561
(584) Underground Line Expenses	6,320,821	6,451,085	6,609,330	5,964,633	417,120	464,917	457,354	683,338
(586) Meter Expenses	7,932,375	5,785,127	5,456,200	7,311,721	6,838,705	6,363,705	6,675,900	6,397,771
(587) Customer Installations Expenses	-	-	-	123	415	(26,361)	(136,418)	(183,127)
(588) Miscellaneous Expenses	7,395,817	6,272,192	6,158,084	7,226,912	5,851,440	5,037,045	4,748,413	4,034,065
(589) Rents	35,725	36,193	49,063	18,177	31,007	24,987	12,204	20,070
TOTAL Operation	31,923,070	27,692,833	27,737,734	30,064,818	27,034,391	21,601,459	21,451,258	20,324,799
Maintenance								
(590) Maintenance Supervision and Engineering	47,090	30,370	17,531	41,203	46,477	71,359	10,072	70,302
(591) Maintenance of Structures	-	1,475	5,157	16,332	2,982	7,951	696	2,286
(592) Maintenance of Station Equipment	1,865,977	1,435,338	1,118,296	1,194,720	1,051,753	1,028,738	1,130,593	1,084,361
(593) Maintenance of Overhead Lines	15,769,154	17,885,477	17,166,198	20,167,446	23,133,568	20,139,853	21,330,734	23,934,983
(594) Maintenance of Underground Lines	1,854,313	1,536,409	1,508,490	1,212,049	1,426,055	1,171,348	1,294,339	1,212,304
(595) Maintenance of Line Transformers	185,535	122,860	116,316	191,045	158,096	160,778	157,116	199,399
(596) Maintenance of Street Lighting and Signal Systems	568,134	427,622	411,090	419,554	411,185	418,544	403,750	403,750
(598) Maintenance of Miscellaneous Distribution Plant	870,332	572,000	611,701	734,385	637,011	616,090	588,179	752,563
TOTAL Maintenance	21,160,535	22,011,553	20,954,779	24,005,080	26,869,496	23,607,302	24,930,273	27,659,948
TOTAL Distribution Expenses	53,083,605	49,704,386	48,692,513	54,069,898	53,903,887	45,208,761	46,381,531	47,984,747
5. CUSTOMER ACCOUNTS EXPENSES								
Operation								
(901) Supervision	1,498,909	1,414,132	1,369,467	1,355,651	1,291,735	1,229,704	1,131,655	1,215,815

Louisville Gas and Electric Company  
Total Electric

Account	Test Year	REPORTING YEARS									
		Base Year	2020	2019	2018	2017	2016	2015			
(902) Meter Reading Expenses	3,820,562	3,633,935	3,571,856	3,357,161	2,654,132	2,410,404	2,380,302	2,392,784			
(903) Customer Records and Collection Expenses	7,929,806	7,848,439	7,371,067	7,096,363	7,076,488	7,045,154	6,664,816	5,886,201			
(904) Uncollectible Accounts	2,225,668	3,463,041	2,725,415	2,037,340	3,118,591	2,017,199	1,760,288	2,164,601			
(905) Miscellaneous Customer Accounts Expenses	-	19,060	2,512	7,877	6,069	3,309	7,998	(699)			
<b>TOTAL Customer Accounts Expenses</b>	<b>15,474,945</b>	<b>16,368,607</b>	<b>15,040,317</b>	<b>13,854,392</b>	<b>14,127,035</b>	<b>12,705,770</b>	<b>11,945,059</b>	<b>11,658,702</b>			
6. CUSTOMER SERVICE AND INFORMATION EXP.											
Operation											
(907) Supervision	199,518	271,415	279,117	353,955	351,341	334,497	302,526	184,030			
(908) Customer Assistance Expenses	8,214,369	7,645,010	8,806,906	7,032,820	11,999,911	14,969,842	15,113,078	13,109,791			
(909) Informational and Instructional Expenses	1,201,025	1,397,136	1,018,497	1,079,676	651,027	481,599	418,345	613,839			
(910) Misc. Customer Service and Information Expenses	1,144,803	1,078,306	1,020,657	712,788	598,610	670,148	627,830	398,592			
<b>TOTAL Customer Service and Information Expenses</b>	<b>10,759,915</b>	<b>10,391,867</b>	<b>11,125,177</b>	<b>9,179,239</b>	<b>13,600,889</b>	<b>16,456,086</b>	<b>16,461,479</b>	<b>14,306,252</b>			
7. SALES EXPENSES											
Operation											
(912) Demonstrating and Selling Expenses	56,160	28,080	30,416	156,201	-	-	-	-			
(913) Advertising Expenses	1,043,586	1,170,550	1,135,389	1,284,717	1,183,927	1,032,261	920,198	609,852			
<b>TOTAL Sales Expenses</b>	<b>1,099,746</b>	<b>1,198,630</b>	<b>1,165,805</b>	<b>1,440,918</b>	<b>1,183,927</b>	<b>1,032,261</b>	<b>920,198</b>	<b>609,852</b>			
8. ADMINISTRATIVE AND GENERAL EXPENSES											
Operation											
(920) Administrative and General Salaries	25,891,027	24,708,958	24,425,921	26,036,930	24,819,053	25,599,201	25,699,113	25,503,188			
(921) Office Supplies and Expenses	7,802,685	7,415,677	6,517,701	7,105,430	6,964,170	5,834,273	5,078,958	5,394,912			
(Less) (922) Administrative Exp. Transferred-Credit	(5,240,118)	(4,742,729)	(4,683,485)	(4,845,104)	(4,378,417)	(4,312,293)	(4,523,516)	(4,172,708)			
(923) Outside Services Employed	17,066,021	13,814,796	13,070,279	12,999,091	14,942,763	12,641,543	17,069,244	16,031,799			
(924) Property Insurance	7,218,578	5,889,307	5,536,637	4,707,016	4,091,484	4,205,603	4,586,850	4,176,647			
(925) Injuries and Damages	3,235,548	2,433,268	2,008,578	3,270,296	2,117,055	2,334,185	2,727,451	2,954,173			
(926) Employee Pensions and Benefits	23,981,335	20,555,075	19,182,369	20,086,498	21,072,373	23,052,071	23,960,413	28,705,232			
(927) Franchise Requirements	-	15,986	38,246	27,948	29,753	29,436	29,577	32,327			
(928) Regulatory Commission Expenses	984,809	1,466,525	1,460,476	1,470,481	1,411,623	1,183,521	991,537	1,057,578			
(929) (Less) Duplicate Charges-Cr.	(216,193)	(212,941)	(208,781)	(225,742)	(233,116)	(218,015)	(250,842)	(265,253)			
(930.1) General Advertising Expenses	4,603	1,164	-	-	38,711	4,805	29,765	116,028			
(930.2) Miscellaneous General Expenses	2,554,270	2,544,787	2,876,649	3,179,406	3,234,864	3,523,452	3,182,174	2,819,721			
(931) Rents	1,807,941	2,097,070	2,014,475	2,044,355	1,815,234	1,560,673	1,078,298	1,150,194			
<b>TOTAL Operation</b>	<b>85,090,505</b>	<b>75,986,943</b>	<b>73,239,065</b>	<b>75,856,605</b>	<b>75,918,550</b>	<b>75,638,435</b>	<b>79,659,022</b>	<b>83,503,838</b>			
Maintenance											
(935) Maintenance of General Plant	1,055,259	1,030,616	987,126	1,251,504	850,467	848,054	684,452	746,596			
<b>TOTAL Admin. &amp; General Expenses</b>	<b>86,145,764</b>	<b>77,017,559</b>	<b>75,226,191</b>	<b>77,108,109</b>	<b>76,769,017</b>	<b>76,486,489</b>	<b>80,343,474</b>	<b>84,250,434</b>			
<b>TOTAL Electric Operation and Maintenance Expenses</b>	<b>637,095,312</b>	<b>587,182,498</b>	<b>576,276,242</b>	<b>625,226,115</b>	<b>651,860,711</b>	<b>619,665,317</b>	<b>636,982,943</b>	<b>690,055,456</b>			

Louisville Gas and Electric Company

Total Gas

Account	Test Year	REPORTING YEARS					2015	
		Base Year	2020	2019	2018	2017		2016
<b>1. PRODUCTION EXPENSES</b>								
A. Other Gas Supply Expenses	116,757,091	110,449,426	91,578,242	116,107,473	130,189,976	121,481,236	103,988,949	133,849,235
<b>TOTAL Purchased Gas</b>	<b>116,757,091</b>	<b>110,449,426</b>	<b>91,578,242</b>	<b>116,107,473</b>	<b>130,189,976</b>	<b>121,481,236</b>	<b>103,988,949</b>	<b>133,849,235</b>
Purchased Gas Expenses	-	884,080	-	-	-	-	-	-
(805) Other Gas Purchases	-	(4,489,407)	(222,024)	(1,098,166)	1,089,281	(350,724)	905,331	(2,599,873)
(806) Exchange Gas	1,077,654	1,070,026	1,063,877	985,389	877,784	848,373	844,632	807,713
<b>TOTAL Purchased Gas Expenses</b>	<b>1,077,654</b>	<b>(2,535,301)</b>	<b>841,853</b>	<b>(117,777)</b>	<b>1,967,065</b>	<b>497,649</b>	<b>1,749,963</b>	<b>(1,792,160)</b>
(808) Gas Withdrawn from Storage	(1,962,369)	441,442	3,760,981	4,841,351	(328,191)	(3,746,289)	(1,130,166)	10,392,758
Gas Used in Utility Operations - Credit	(85,300)	(275,886)	(412,872)	(453,398)	(539,169)	(461,582)	(472,852)	(646,000)
(810) Gas Used for Compressor Station Fuel--Credit	-	(24,512)	(69,451)	(107,103)	(176,319)	(99,719)	(178,781)	-
(812) Gas Used for Other Utility Operations--Credit	(85,300)	(298,407)	(482,327)	(562,501)	(715,484)	(549,231)	(572,571)	(834,781)
<b>TOTAL Gas Used in Utility Operations - Credit</b>	<b>(1,962,369)</b>	<b>108,057,160</b>	<b>95,698,749</b>	<b>120,273,546</b>	<b>131,113,366</b>	<b>117,683,365</b>	<b>104,036,175</b>	<b>141,625,052</b>
<b>TOTAL Production Expenses</b>	<b>115,794,722</b>	<b>108,057,160</b>	<b>95,698,749</b>	<b>120,273,546</b>	<b>131,113,366</b>	<b>117,683,365</b>	<b>104,036,175</b>	<b>141,625,052</b>
<b>2. NATURAL GAS, STORAGE, TERM, AND PROC. EXP.</b>								
A. Underground Storage Expenses								
Operation								
(814) Operation Supervision and Engineering	1,152,053	999,069	960,681	937,952	976,923	1,092,080	832,314	678,309
(816) Wells Expenses	67,379	889,891	803,129	63,161	83,028	66,890	71,159	357,834
(817) Lines Expenses	456,556	431,890	416,524	428,371	335,353	412,394	409,636	770,193
(818) Compressor Station Expenses	2,565,926	2,368,129	2,315,369	2,145,279	2,361,725	2,140,562	2,232,439	2,393,159
(819) Compressor Station Fuel and Power	85,300	275,886	412,872	453,398	539,169	461,582	472,852	646,000
(821) Purification Expenses	1,378,252	1,169,937	937,959	1,934,237	1,489,337	1,929,253	1,484,683	1,449,442
(823) Gas Losses	1,440,002	1,537,963	1,260,551	1,489,104	1,675,967	2,889,006	1,495,041	1,690,061
(824) Other Expenses	-	15,740	23,690	33,312	26,706	25,814	23,537	14,508
(825) Storage Well Royalties	159,348	157,891	128,106	129,210	133,731	164,524	141,179	237,295
(826) Rents	-	-	-	-	-	-	-	-
<b>TOTAL Operation</b>	<b>7,304,816</b>	<b>7,844,396</b>	<b>7,259,081</b>	<b>7,617,024</b>	<b>7,621,939</b>	<b>9,182,105</b>	<b>7,164,840</b>	<b>8,236,801</b>
Maintenance								
(830) Maintenance Supervision and Engineering	634,879	652,245	654,130	584,272	603,360	621,220	584,222	463,550
(832) Maintenance of Reservoirs and Wells	912,108	188,592	158,082	1,961,882	388,352	453,720	321,659	862,913
(833) Maintenance of Lines	915,216	873,203	1,034,107	681,437	842,391	427,868	526,433	129,836
(834) Maintenance of Compressor Station Equipment	728,517	570,740	638,595	716,118	638,104	581,459	550,513	841,137
(835) Maintenance of Measuring & Regulating Station Equip	-	123,680	156,823	94,096	48,348	56,195	40,257	51,355
(836) Maintenance of Purification Equipment	872,407	574,021	513,123	686,797	787,630	842,605	850,338	979,489
(837) Maintenance of Other Equipment	340,227	423,164	425,065	208,020	229,912	335,604	334,965	91,905
<b>TOTAL Maintenance</b>	<b>4,403,854</b>	<b>3,405,644</b>	<b>3,999,925</b>	<b>4,932,622</b>	<b>3,260,097</b>	<b>3,338,671</b>	<b>3,208,087</b>	<b>3,420,185</b>
<b>TOTAL Underground Storage Expenses</b>	<b>11,708,170</b>	<b>11,250,040</b>	<b>10,859,006</b>	<b>12,549,646</b>	<b>10,882,036</b>	<b>12,520,776</b>	<b>10,372,927</b>	<b>11,656,986</b>
<b>TOTAL Natural Gas Storage Expenses</b>	<b>11,708,170</b>	<b>11,250,040</b>	<b>10,859,006</b>	<b>12,549,646</b>	<b>10,882,036</b>	<b>12,520,776</b>	<b>10,372,927</b>	<b>11,656,986</b>
<b>3. TRANSMISSION EXPENSES</b>								
Operation								
(850) Operation Supervision and Engineering	1,957,425	1,776,778	1,673,557	1,708,898	1,171,705	766,822	897,670	496,722
(851) System Control and Load Dispatching	748,013	626,813	658,342	654,157	473,261	415,652	388,326	402,192
(852) Operation Communication Equipment	-	-	-	-	-	-	-	-
(856) Mains Expenses	873,768	840,451	838,882	836,517	728,127	686,484	613,787	648,586
(859) Other Expenses	186,023	181,173	211,216	134,267	71,876	-	-	-
(860) Rents	40,133	20,631	39,026	40,969	40,132	38,392	17,922	30,565
<b>TOTAL Operation</b>	<b>3,805,362</b>	<b>3,445,847</b>	<b>3,441,023</b>	<b>3,374,808</b>	<b>2,485,101</b>	<b>1,907,550</b>	<b>1,917,705</b>	<b>1,578,065</b>
Maintenance								
(863) Maintenance of Mains	14,268,737	7,236,057	5,838,908	7,917,011	4,555,832	1,916,931	1,557,302	1,852,205
<b>TOTAL Maintenance</b>	<b>14,268,737</b>	<b>7,236,057</b>	<b>5,838,908</b>	<b>7,917,011</b>	<b>4,555,832</b>	<b>1,916,931</b>	<b>1,557,302</b>	<b>1,852,205</b>
<b>TOTAL Transmission Expenses</b>	<b>18,074,099</b>	<b>10,681,904</b>	<b>9,279,931</b>	<b>11,291,819</b>	<b>7,040,933</b>	<b>3,824,281</b>	<b>3,475,007</b>	<b>3,430,270</b>
<b>4. DISTRIBUTION EXPENSES</b>								
Operation								
(871) Distribution Load Dispatching	1,075,433	961,642	965,530	864,709	700,878	661,608	578,496	586,498
(874) Mains and Services Expense	9,885,996	10,559,776	10,416,020	9,886,121	7,552,179	3,873,129	3,362,942	3,009,171
(875) Measuring & Regulating Sta. Exp.-General	1,439,892	1,421,992	1,647,164	1,274,045	1,262,793	1,291,939	1,110,188	1,194,476

Louisville Gas and Electric Company  
Total Gas

Account	REPORTING YEARS									
	Test Year	Base Year	2020	2018	2017	2016	2015	2014	2013	2012
(876) Measuring & Regulating Sta. Exp - Industrial	649,731	179,836	291,782	315,775	397,917	329,012	399,444	329,012	399,444	399,444
(877) Measuring & Regulating Sta. Exp - City Gate Chk Sta	269,704	165,902	271,067	281,254	176,408	170,454	173,992	170,454	173,992	173,992
(878) Meter and House Regulator Expenses	2,254,644	3,006,358	3,207,202	2,134,375	2,166,358	1,961,834	1,912,623	1,961,834	1,912,623	1,912,623
(879) Customer Installations Expenses	234,605	234,183	270,354	237,822	226,835	163,881	159,276	163,881	159,276	159,276
(880) Other Expenses	8,233,534	6,981,766	6,489,226	5,424,062	3,910,212	3,839,290	3,175,393	3,839,290	3,175,393	3,175,393
(881) Revis	26,536	21,631	33,879	22,486	29,868	6,663	15,573	6,663	15,573	15,573
<b>TOTAL Operation</b>	<b>24,070,075</b>	<b>23,793,131</b>	<b>23,360,413</b>	<b>21,102,634</b>	<b>17,998,742</b>	<b>12,753,202</b>	<b>11,522,760</b>	<b>12,753,202</b>	<b>11,522,760</b>	<b>10,636,446</b>
Maintenance										
(886) Maintenance of Structures and Improvements	12,032,879	8,791,611	8,866,425	9,351,066	8,818,881	9,388,176	9,794,835	8,818,881	9,794,835	8,537
(887) Maintenance of Mains	173,037	169,332	140,867	160,816	107,341	67,232	126,349	107,341	67,232	126,349
(889) Maintenance of Meas. & Reg. Sta. Equipment-Gen	305,363	323,448	425,421	406,308	346,352	293,221	313,324	346,352	293,221	313,324
(890) Maintenance of Meas. & Reg. Sta. Equipment-Indust	916,558	642,661	536,351	544,018	493,952	364,108	415,461	493,952	364,108	415,461
(891) Maint. of Meas. & Reg. Sta. Equip-City Gate Chk Sta	1,575,323	1,581,992	1,786,061	1,696,187	1,357,604	1,386,926	3,034,613	1,357,604	1,386,926	3,034,613
(892) Maintenance of Services	560,259	544,858	555,701	521,210	408,366	394,741	158,649	408,366	394,741	158,649
(894) Maintenance of Other Equipment	15,865,619	12,540,122	12,236,012	12,194,964	11,330,920	11,843,414	13,851,768	11,330,920	11,843,414	13,851,768
<b>TOTAL Distribution Expenses</b>	<b>39,635,694</b>	<b>36,333,254</b>	<b>35,596,425</b>	<b>33,297,598</b>	<b>24,064,122</b>	<b>23,366,174</b>	<b>24,478,214</b>	<b>24,064,122</b>	<b>23,366,174</b>	<b>24,478,214</b>
5. CUSTOMER ACCOUNTS EXPENSES										
Operation										
(901) Supervision	1,177,715	1,111,104	1,076,010	1,055,155	966,197	889,158	994,758	966,197	889,158	994,758
(902) Meter Reading Expenses	3,001,871	2,847,378	2,806,458	2,657,770	1,893,888	1,870,237	1,937,732	1,893,888	1,870,237	1,937,732
(903) Customer Records and Collection Expenses	6,230,561	5,791,553	5,575,573	5,560,098	5,535,478	5,236,641	4,815,982	5,535,478	5,236,641	4,815,982
(904) Uncollectible Accounts	666,954	985,520	951,770	330,245	548,813	430,210	295,466	548,813	430,210	295,466
(905) Miscellaneous Customer Accounts Expenses	-	14,976	1,973	6,189	2,660	6,284	(572)	2,660	6,284	(572)
<b>TOTAL Customer Accounts Expenses</b>	<b>11,077,101</b>	<b>11,125,608</b>	<b>10,627,764</b>	<b>9,614,932</b>	<b>8,946,976</b>	<b>8,432,530</b>	<b>8,063,366</b>	<b>8,946,976</b>	<b>8,432,530</b>	<b>8,063,366</b>
6. CUSTOMER SERVICE AND INFORMATION EXP.										
Operation										
(907) Supervision	56,274	76,553	78,725	99,834	83,624	85,328	61,344	83,624	85,328	61,344
(908) Customer Assistance Expenses	592,190	(124,104)	(634,689)	1,787,314	3,939,097	3,616,475	3,488,183	3,939,097	3,616,475	3,488,183
(909) Informational and Instructional Expenses	681,896	602,524	533,306	448,967	98,866	100,409	188,580	98,866	100,409	188,580
(910) Misc. Customer Service and Information Expenses	333,073	298,299	287,878	201,043	167,536	176,996	132,864	167,536	176,996	132,864
<b>TOTAL Customer Service and Information Expenses</b>	<b>1,663,433</b>	<b>853,272</b>	<b>265,220</b>	<b>2,537,158</b>	<b>4,039,666</b>	<b>3,979,208</b>	<b>3,870,971</b>	<b>4,039,666</b>	<b>3,979,208</b>	<b>3,870,971</b>
7. SALES EXPENSES										
Operation										
(912) Demonstrating and Selling Expenses	15,840	7,920	8,579	44,057	-	-	-	-	-	-
(913) Advertising Expenses	294,345	330,155	320,238	362,356	257,517	259,480	203,284	257,517	259,480	203,284
<b>TOTAL Sales Expenses</b>	<b>310,185</b>	<b>338,075</b>	<b>328,817</b>	<b>406,413</b>	<b>257,517</b>	<b>259,480</b>	<b>203,284</b>	<b>257,517</b>	<b>259,480</b>	<b>203,284</b>
8. ADMINISTRATIVE AND GENERAL EXPENSES										
Operation										
(920) Administrative and General Salaries	8,391,131	8,405,601	8,377,684	8,072,112	7,982,796	7,274,293	6,931,034	7,982,796	7,274,293	6,931,034
(921) Office Supplies and Expenses	2,524,197	2,416,121	2,132,958	2,145,233	2,281,528	1,737,165	1,517,739	2,281,528	1,737,165	1,517,739
(Less) (922) Administrative Exp. Transferred-Credit	(1,333,161)	(1,180,356)	(1,161,052)	(1,107,875)	(899,745)	(883,741)	(802,466)	(899,745)	(883,741)	(802,466)
(923) Outside Services Employed	5,688,674	4,321,731	3,663,402	3,856,029	3,203,469	3,938,854	3,527,179	3,203,469	3,938,854	3,527,179
(924) Property Insurance	469,694	349,450	307,809	284,272	251,592	161,992	48,524	251,592	161,992	48,524
(925) Injuries and Damages	1,151,571	851,036	741,490	850,888	945,343	640,921	737,920	945,343	640,921	737,920
(926) Employee Pensions and Benefits	9,373,328	7,660,840	7,268,700	7,289,154	7,386,271	7,750,513	8,713,078	7,386,271	7,750,513	8,713,078
(927) Franchise Requirements	-	-	-	-	-	-	-	-	-	-
(928) Regulatory Commission Expenses	51,213	263,913	232,727	192,918	144,172	108,994	152,301	144,172	108,994	152,301
(929) (Less) Duplicate Charges-Cr.	(249,859)	(345,969)	(266,973)	(458,752)	(522,117)	(449,203)	(502,396)	(522,117)	(449,203)	(502,396)
(930.1) General Advertising Expenses	790	395	-	-	2,159	13,169	44,369	2,159	13,169	44,369
(930.2) Miscellaneous General Expenses	391,917	369,022	468,584	483,851	453,636	471,804	403,836	453,636	471,804	403,836
(931) Revis	602,647	699,023	671,492	610,651	573,232	304,135	305,748	573,232	304,135	305,748
<b>TOTAL Operation</b>	<b>27,262,143</b>	<b>23,810,808</b>	<b>22,465,724</b>	<b>21,976,562</b>	<b>20,582,845</b>	<b>20,777,283</b>	<b>21,076,866</b>	<b>20,582,845</b>	<b>20,777,283</b>	<b>21,076,866</b>
Maintenance										
(935) Maintenance of General Plant	474,102	463,091	443,491	562,270	381,010	293,337	319,970	381,010	293,337	319,970
(935) Admin & General Expenses	27,736,245	24,273,839	22,909,215	22,538,832	20,813,706	20,963,855	21,070,620	20,963,855	21,070,620	21,396,836
<b>TOTAL Gas Operation and Maintenance Expenses</b>	<b>225,992,003</b>	<b>202,913,151</b>	<b>185,565,124</b>	<b>212,509,944</b>	<b>192,550,015</b>	<b>174,992,121</b>	<b>214,724,979</b>	<b>192,550,015</b>	<b>174,992,121</b>	<b>214,724,979</b>

**EXHIBIT \_\_\_\_ (LK-18)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 41**

**Responding Witness: Gregory J. Meiman**

- Q-41. Please provide a breakdown of the total headcount by department and in total for the Companies at December 31 for each of the years 2015-2019, the most current date available, the end of the forecasted base year and the end of forecasted test year.
- A-41. See attached for a listing of headcount by department for KU and LKS. The budgeted columns reflect all headcount being filled. To the extent there are vacant positions, the dollars budgeted would be used for overtime and contractors to perform the work.

Kentucky Utilities Company  
Case No. 2020-00349

Question No. 41

Kentucky Utilities Company Total Headcount by Department

	Actuals						Budget	
	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Feb-21	Jun-22
	940	937	923	916	909	905	923	918
<b>P10040: TOTAL KU COMPANY</b>								
010603 010603 - FINC & BUDGTNG-POWER PROD KU	3	4	2	2	2	2	2	2
011018 011018 - VEGETATION MANAGEMENT - KU	5	5	5	5	5	5	5	5
011050 011050 - EARLINGTON METER DEPT	3	3	3					
011061 011061 - AREA 1	7	7	7	6	6	7	6	6
011062 011062 - AREA 2	7	8	8	8	7	7	8	8
011063 011063 - AREA 3	5	4	3	5	6	6	6	6
011064 011064 - AREA 4	9	7	8	10	8	8	8	8
011065 011065 - AREA 5	8	8	8	8	8	8	8	8
011066 011066 - AREA 6	9	9	9	7	9	9	9	9
011067 011067 - AREA 7	6	6	6	6	6	6	6	6
011068 011068 - AREA 8	4	4	5	5	5	5	5	5
011069 011069 - AREA 9	12	11	12	12	13	13	13	13
011070 011070 - AREA 10	6	6	6	6	6	6	6	6
011071 011071 - AREA 11	5	5	5	5	4	5	5	5
011072 011072 - AREA 12	11	10	11	10	10	10	10	10
011090 011090 - SC AND M EARLINGTON	12	12	12	10	10	10	10	10
011345 011345 - REVENUE PROTECTION - KU	1	1	1					
011370 011370 - FIELD SERVICES - KU	46	44	43	44	44	44	44	44
011560 011560 - EARLINGTON OPERATIONS CENTER	48	47	48	46	45	47	48	48
012050 012050 - SC AND M DANVILLE	13	12	14	15	15	14	15	15
012160 012160 - DANVILLE OPERATIONS CENTER	21	20	20	22	23	23	21	21
012360 012360 - RICHMOND OPERATIONS CENTER	23	21	21	23	23	22	23	23
012460 012460 - ELIZABETHTOWN OPERATIONS CENTER	21	21	22	21	21	22	21	21
012560 012560 - SHELBYVILLE OPERATIONS CENTER	21	22	22	23	24	23	22	22
013030 013030 - LEXINGTON METER DEPT	9	9	9					
013040 013040 - SC AND M LEXINGTON	20	23	25	19	18	17	19	19
013150 013150 - LEXINGTON OPERATIONS CENTER			80	81	78	81	81	81
013180 013180 - METER READING - KU	8	8	7	7	7	6	7	7
013560 013560 - SUBSTATION RELAY, PROTECTION & CONTROL - KU				7	9	9	9	9
013660 013660 - MAYSVILLE OPERATIONS CENTER	26	26	26	27	26	27	26	26
013910 013910 - MANAGER - LEXINGTON OPERATIONS CENTER	81	79		1	1		1	1
014050 014050 - PINEVILLE METER DEPT	4	4	4					
014160 014160 - PINEVILLE OPERATIONS CENTER	20	20	20	20	20	20	20	20
014260 014260 - LONDON OPERATIONS CENTER	21	21	21	21	20	21	21	21
014370 014370 - ASSET INFORMATION - KU	12	12	13	13	15	13	15	15
014940 014940 - SC AND M PINEVILLE	10	10	10	10	10	10	9	9
015324 015324 - LEXINGTON MATERIAL LOGISTICS	4	4	4	4	4	4	4	4
015326 015326 - EARLINGTON MATERIAL LOGISTICS	4	3	3	3	3	3	3	3
015820 015820 - KU METER SHOP				16	17	17	20	20
015970 015970 - KU - TELECOMMUNICATIONS	12	12	12	12	14	14	14	14
016120 021016 - DIST ANALYTICS AND SPECIAL CONTRACTS	1	1						
016130 021020 - DIRECTOR DISTRIBUTION OPERATIONS	2	2						
016150 021035 - VP CUSTOMER SERVICES - SERVCO	1							
016220 016220 - E W BROWN - SUPT AND ADMIN	6	6	5	4	4	3	4	4
016230 016230 - EWB OPER / RESULTS	54	53	50	45	43	38	40	39
016250 016250 - EWB EQUIP MNTC	18	18	19	18	16	22	21	21
016260 016260 - EWB E AND I MNTC	19	21	21	19	18	17	17	17
016270 016270 - EWB COAL HANDLING	10	9	7	4	4	4	3	3
016300 016300 - EWB COMBUSTION TURBINE	15	14	13	14	13	15	14	14
016320 016320 - EWB ENVIRONMENTAL						2	2	1
016330 016330 - BR ENGINEERING AND TECHNICAL SERVICES		5	4	4	4	4	4	4
016340 016340 - EWB LABORATORY	3	3	3	3	3	3	5	4
016360 016360 - EWB MAINTENANCE	10	7	7	7	6	6	6	6
016370 016370 - EWB COMMERCIAL OPERATIONS	4	4	4	4	4	4	4	4
016520 016520 - GHENT - SUPERINTENDENT	9	9	8	11	11	12	12	10
016530 016530 - GHENT - PLANNING	7	10	10	9	10	10	11	11
016540 016540 - GH ENGINEERING AND TECHNICAL SERVICES	14	11	10	14	13	13	14	14
016550 016550 - GHENT - MECHANICAL MNTC	24	24	23	24	24	23	24	24
016560 016560 - GHENT - ELECTRICAL MNTC	20	21	20	17	17	17	18	18
016570 016570 - GHENT - COAL YARD	12	6	6	6	7	6	7	7
016580 016580 - GHENT - INSTRUMENT MNTC	20	24	22	21	17	19	21	21
016600 016600 - GHENT - ASST SUPT OPER	4	4	6	4	4	4	4	4
016620 016620 - GHENT - SCRUBBER MAINT	9	9	8	9	9	8	8	8
016630 016630 - GHENT - COMMERCIAL	8	8	7	7	7	7	7	7
016640 016640 - GHENT - STATION LAB	8	8	8	9	9	9	9	9
016650 016650 - GHENT - OPERATIONS SHIFTS	85	89	82	80	81	80	80	80
016660 016660 - GHENT-ASST SUPT MNTC	6	7	7	7	9	8	8	8
016670 016670 - GHENT - OUTSIDE MNTC	1	4	4	4	3	2	3	3

Kentucky Utilities Company  
Case No. 2018-00294  
Question No. 41  
LGE - KU Services Company Total Headcount by Department

	Actuals						Budget	
	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Feb-21	Jun-22
<b>P00020: TOTAL LG&amp;E AND KU SERVICES COMPANY</b>	<b>1600</b>	<b>1631</b>	<b>1651</b>	<b>1649</b>	<b>1644</b>	<b>1664</b>	<b>1729</b>	<b>1738</b>
021000 021000 - CHAIRMAN AND CEO	2	2	2	2	2	2	2	2
021015 021015 - 01 DIRECTOR SYSTEMS, OPS AND PLANNING	6	6	7	8	6	1	2	2
021016 021016 - DISTRIBUTION ANALYTICS & RESOURCE PLANNING			4	5	6	6	5	5
021017 021017 - ASSET INFORMATION & DATA ANALYTICS						1	1	1
021018 021018 - REGULATORY COMPLIANCE AND SPECIAL CONTRACTS							2	2
021019 021019 - DISTRIBUTION RELIABILITY						6	7	7
021020 021020 - DIRECTOR KU OPERATIONS	2	2	2	2	1	1	1	1
021035 021035 - VP CUSTOMER SERVICES - SERVCO	2	2	2	2	2	2	2	2
021055 021055 - VP ELECTRIC DISTRIBUTION - LKS	2	2	2	2	2	2	2	2
021070 021070 - DIRECTOR - ASSET MANAGEMENT	1	1	1	1	1	1	1	1
021071 021071 - SYSTEM ANALYSIS AND PLANNING - DIST	8	9	10	8	8	8	8	8
021072 021072 - ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	9	5	2	2	2	2	3	3
021073 021073 - DIST SYSTEMS, COMPLIANCE AND EMER PREP	5	5	4	4	2	1	3	3
021075 021075 - ELECTRIC CODES AND STANDARDS	3	7	5	6	6	5	6	6
021076 021076 - ASSET INFORMATION-LKS	1	3	3	3	3	5	3	3
021078 021078 - PROTECTION & CONTROL ENGINEERING				3	4	4	4	4
021080 021080 - DISTRIBUTION SYSTEM ADMINISTRATION	7	7	7	7	6	5	5	5
021204 021204 - CCS RETAIL SUPPORT	20	13	21	21	24	22	24	24
021205 021205 - RESIDENTIAL SERVICE CENTER	190	210	197	196	179	185	187	187
021220 021220 - BUSINESS OFFICES	10	11	10	4	4	5	4	4
021221 021221 - CIVIC AFFAIRS				7	7	7	7	7
021225 021225 - BUSINESS SERVICE CENTER	34	33	32	30	34	34	34	34
021250 021250 - DIRECTOR CUSTOMER SERVICE AND MARKETING	2	2	2	2	2	2	2	2
021251 021251 - COMPLAINTS AND INQUIRY	6	6	6	6	6	6	6	6
021280 021280 - MANAGER - METER READING	5	5	5	6	6	6	6	6
021315 021315 - MANAGER, FIELD SERVICE OPERATIONS	11	14	14	14	14	15	15	15
021320 021320 - MANAGER - METER ASSET MANAGEMENT - LKS	4	4	3	4	3	4	6	6
021325 021325 - DIRECTOR REVENUE COLLECTION	1	1	1	1	1	1	1	1
021326 021326 - BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	8	7	10	10	9	11	12	12
021330 021330 - MANAGER REMITTANCE AND COLLECTION	21	21	21	19	17	15	16	16
021331 021331 - REVENUE ASSURANCE	5	6	6	6	6	6	7	7
021335 021335 - FEDERAL REGULATION & POLICY	3	1	2	2	3	2	3	3
021360 021360 - MANAGER BUSINESS SERVICES	19	18	19	20	19	18	18	18
021370 021016 - DIST ANALYTICS AND SPECIAL CONTRACTS	2	26						
021390 021390 - MANAGER MARKETING	4	5	6	4				
021410 021410 - DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	2	2	2	1	2	2	2	2
021411 021411 - CS PROJECT SERVICES - LKS			11	6	3	3	3	8
021415 021415 - MANAGER, SMART GRID STRATEGY	2	3	2	2	1	3	1	1
021420 021420 - ENERGY EFFICIENCY OPERATIONS	10	10	7	5	5	4	5	5
021440 021440 - VP STATE REGULATION AND RATES	15	16	16	16	15	15	16	16
021500 021500 - DIRECTOR SAFETY AND TECHNICAL TRAINING	2	2	2	2	2	2	2	2
021520 021520 - ENERGY EFFICIENCY OPERATIONS - NON DSM	6	6	6	5	5	5	6	6
021900 021900 - PRESIDENT AND COO	2	2	2					
021904 021904 - CHIEF OPERATING OFFICER			2	2	2	2	2	2
022025 022025 - GENERATION TURBINE GENERATOR SPECIALIST	7	8	8	8	4	4	6	6
022060 022060 - DIRECTOR - GENERATION SERVICES	3	3	3	4	3	3	3	3
022065 022065 - MANAGER - SYSTEM LAB AND ENV. COMPL.	10	10	10	10	11	11	12	12
022070 022070 - RESEARCH AND DEVELOPMENT	4	5	4	5	5	3	6	6
022080 022080 - MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	9	8	8	10	10	10	10	10
022100 021020 - DIRECTOR DISTRIBUTION OPERATIONS	2	2						
022110 022110 - MANAGER - GENERATION ENGINEERING	27	26	26	27	29	3	5	5
022111 022111 - CIVIL ENGINEERING						5	5	5
022112 022112 - ELECTRICAL ENGINEERING						8	8	8
022113 022113 - MECHANICAL ENGINEERING						9	10	10
022114 022114 - PERFORMANCE ENGINEERING						5	5	5
022200 022200 - VP - POWER GENERATION	7	8	8	6	5	5	5	4
022210 022210 - DIRECTOR, COMMERCIAL OPERATIONS	5	5	3	4	5	4	4	4
022220 022220 - LKS - CANE RUN COMMERCIAL OPS	3	4	4	3	3	3	3	2
022230 022230 - LKS - MILL CREEK COMMERCIAL OPS	3	3	3	3	4	5	5	5
022240 022240 - LKS - TRIMBLE COUNTY COMMERCIAL OPS	3	3	3	3	2	4	3	3
022250 022250 - LKS - GHENT COMMERCIAL OPS	4	4	4	4	4	3	4	4
022260 022260 - LKS - EW BROWN COMMERCIAL OPS	3	3	3	3	3	3	3	3
022270 022270 - LKS - RIVERPORT COMMERCIAL OPS			1	2	3	3	4	4
022800 022800 - DIRECTOR - FUELS MANAGEMENT	6	5	6	6	6	6	6	6
022805 021035 - VP CUSTOMER SERVICES - SERVCO	2							
022810 022810 - DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	10	12	10	10	10	9	10	11
022970 022970 - GENERATION SYSTEM PLANNING	7	8	9	8	8	8	8	8
023000 023000 - VICE PRESIDENT - TRANSMISSION	1	1	1	2	2	2	2	2
023003 023003 - DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION		1	1	2	1	2	2	2
023005 023005 - DIR TRANS STRATEGY & PLANNING	2	2	2	2	2	2	2	2
023010 023010 - DIRECTOR - TRANSMISSION	1	1	2	2	2	2	2	2
023020 023020 - TRANSMISSION SYSTEM OPERATIONS	41	39	40	37	38	29	33	33
023025 023025 - TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS						12	12	12
023040 023040 - TRANSMISSION ENERGY MANAGEMENT SYSTEMS	9	8	8	9	9	9	10	10



026400 026400 - AUDIT SERVICES	12	13	14	9	12	12	13	13
026490 026490 - CHIEF INFORMATION OFFICER	2	1	2	2	3	2	3	3
026600 026600 - IT INFRASTRUCTURE AND OPERATIONS	4	4	6	6	7	7	7	7
026615 021073 - RESOURCE MANAGEMENT AND PROJECT SCHEDULING - LKS	5	10						
026625 026625 - TRANSPORT ENGINEERING	11	10	11	11	11	11	12	12
026630 026630 - DATA NETWORKING			11	12	13	11	16	16
026634 026634 - CLOSED DATA CENTER OPERATIONS	1	1	1					
026635 026635 - WORKSTATION ENGINEERING	15	14	8	8	14	15	14	14
026636 026636 - IT CIP INFRASTRUCTURE	8	11	10	10	11	11	12	12
026637 026637 - DATA CENTER OPERATIONS	10	10	18	18	20	25	24	24
026638 026638 - GLOBAL NOC			3	5	5	4	7	7
026645 026645 - UNIFIED COMMUNICATIONS AND COLLABORATION	18	20	6	9	9	15	9	9
026646 026646 - INFRASTRUCTURE SERVICES	19	15	21	18	17	19	18	18
026680 026680 - CLIENT SUPPORT SERVICES	2			6	2	2	2	2
026739 026739 - ENTERPRISE SECURITY			1					
026740 026740 - IT SECURITY AND RISK MANAGEMENT	2	2	2	2	4	3	3	3
026742 026742 - IT SECURITY	10	12	9	12	12	13	13	13
026744 026744 - IT SECURITY RISK MANAGEMENT	3	6	8	7	9	9	9	9
026760 026760 - IT TRAINING	4	5	5	4	4	5	5	5
026772 026772 - TECHNOLOGY SUPPORT CENTER	16	15	18	14	15	15	16	16
026774 026774 - DESKTOP OPERATIONS	16	14	14	12	15	16	17	17
026850 026850 - VP EXTERNAL AFFAIRS	4	4	3	3	4	5	4	4
026900 026900 - LEGAL DEPARTMENT - LKS	23	22	22	22	20	17	18	18
026905 026905 - COMPLIANCE DEPT	8	7	8	8	8	8	8	8
026910 026910 - GENERAL COUNSEL - LKS	2	2	1	2	2	2	2	2
026920 026920 - DIRECTOR - CORPORATE COMMUNICATION	4	4	5	4	4	4	4	4
026925 026925 - VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	6	6	6	6	6	6	6	6
026940 026940 - MANAGER EXTERNAL AND BRAND COMMUNICATION	15	15	14	16	18	17	18	18
027600 027600 - IT BUSINESS SERVICES	3	3	3	3	2	2	3	3
027610 027610 - IT PROJECT MANAGEMENT OFFICE	15	15	15	15	16	15	16	16
027620 027620 - IT BUSINESS ANALYSIS	15	15	13	15	13	13	14	14
027630 027630 - IT QUALITY ASSURANCE	3	4	4	4	4	4	4	4
027640 021076 - ASSET INFORMATION-LKS	7							

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 42**

**Responding Witness: Daniel K. Arbough / Christopher M. Garrett**

Q-42. Please provide a breakdown of payroll dollars between O&M expense, capital, and all other by department and in total for the Companies for each of the years 2015-2019, the forecasted base year and the forecasted test year.

A-42. See attached for the KU information.

Case No. 2020-00349  
Attachment to Response to AG-KIUC-1 Question No. 42

Kentucky Utilities Company  
Breakdown of Payroll Dollars

Arbough/Garrett

Expenditure Org	Expenditure Org Description	Below the						Total
		Operating	Mechanism	Line	Other I/S	Capitalized	Other B/S	
		2015 Payroll Costs						
000020	LG&E AND KU SERVICES COMPANY CORPORATE	109,207	-	-	-	-	109,207	
001075	TECH. AND SAFETY TRAINING DIST - LGE	43,966	-	-	-	-	43,966	
001220	BUSINESS OFFICES - LGE	5,788	-	-	-	-	5,788	
001295	FIELD SERVICE - LGE	-	-	-	-	302	302	
001345	METER SHOP LGE	-	-	-	-	1,745	1,745	
002020	GENERATION SUPPORT - LGE	-	-	-	-	237	237	
002041	LGE - CANE RUN 7 ALLOCATIONS	1,695,106	-	-	-	-	1,695,106	
002042	LGE - PADDYS RUN 13 ALLOCATIONS	135,649	-	-	-	-	135,649	
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	447,816	-	-	-	-	447,816	
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	6,562,427	28,443	-	-	-	6,590,869	
002130	CANE RUN CCGT - LGE	-	-	-	-	1,309,507	1,309,507	
002401	GEN. MGR. MILL CREEK STATION	11,937	-	-	-	652	12,589	
002480	MGR. MILL CREEK MAINTENANCE	456	-	-	-	-	456	
002482	MILL CREEK I/E MAINTENANCE	3,330	-	-	-	-	4,440	
002650	GENERAL MANAGER - TC	-	-	-	-	19,356	19,356	
002720	TC OPERATIONS	4,501	-	-	-	8,644	13,146	
002730	TC OPER-A WATCH	-	-	-	-	13,495	13,495	
002740	TC OPER-B WATCH	-	-	-	-	30,505	30,505	
002750	TC OPER-C WATCH	-	-	-	-	31	31	
002760	TC OPER-D WATCH	-	-	-	-	19,862	19,862	
002780	TC-MAINTENANCE I/E	-	-	-	-	13,500	13,500	
002790	TC-MTCE MECHANICAL	-	-	-	-	9,057	9,057	
002840	TC-MATERIAL HANDLING	-	-	-	-	5,998	5,998	
003030	SUBSTATION OPS.	829	-	-	-	322	1,151	
003060	TRANSMISSION SUBSTATION ENGINEERING - LG&E	-	-	-	-	74	74	
003110	TRANSFORMERS SERVICES	30,664	-	-	-	38,090	68,754	
003160	SC M LOUISVILLE	12,692	-	-	-	22,140	35,711	
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	13,891	13,891	
003300	ELECTRIC CONSTRUCTION CREWS-ESC	1,254	-	-	-	2,821	4,076	
003400	ELECTRIC CONSTRUCTION CREWS-AOC	-	-	-	-	2,173	2,173	
003430	NETWORK OPS. 3PH COMMERCIAL	358	-	-	-	1,302	1,661	
004040	DISTRIBUTION DESIGN	3,278	-	-	-	2,070	5,347	
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	256	-	-	-	362	618	
004210	SVC DEL-MULDRAUGH	-	-	-	-	145	145	
004290	METER SHOP	126	-	-	-	-	126	
004370	ASSET INFORMATION LGE	170	-	-	-	-	170	
004450	CORROSION CONTROL	-	-	-	-	7,659	7,659	
004470	MULDRAUGH STORAGE	-	-	-	-	2,693	2,693	
004600	GAS REGULATORY SERVICES	338	-	-	-	15,509	15,847	
005310	FACILITIES MTCE	-	-	-	-	447	447	
006250	CORPORATE	-	-	-	-	20,961	20,961	
006630	LGE - TELECOMMUNICATIONS	283,205	103	402	-	58,813	322,523	
008825	LGE GENERATION SERVICES CHARGES	-	-	-	-	7,597	(7,524)	
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	556	556	
008910	LGE IT CHARGES	(3,833)	-	-	-	129,685	125,752	
010603	FINC & BUDGTNG-POWER PROD KU	218,125	-	-	-	-	218,125	
011018	VEGETATION MANAGEMENT - KU	351,751	-	-	-	2,728	354,479	
011050	EARLINGTON METER DEPT	168,690	-	-	-	32,313	201,003	
011061	AREA 1	217,653	-	-	-	-	217,653	
011062	AREA 2	348,639	-	-	-	-	348,639	
011063	AREA 3	126,454	-	-	-	-	126,454	
011064	AREA 4	426,206	-	-	-	-	426,206	
011065	AREA 5	334,666	-	-	-	281	334,966	
011066	AREA 6	422,569	-	-	-	-	422,569	
011067	AREA 7	206,732	-	-	-	-	206,732	
011068	AREA 8	177,217	-	-	-	-	177,217	
011069	AREA 9	604,616	-	-	-	-	604,616	
011070	AREA 10	192,004	-	-	-	5,574	197,578	
011071	AREA 11	135,728	-	-	-	-	135,728	
011072	AREA 12	427,744	-	-	-	-	427,744	
011090	SC AND M EARLINGTON	509,741	-	-	-	214,871	833,859	
011345	REVENUE PROTECTION - KU	64,988	-	-	-	-	64,988	
011370	FIELD SERVICES - KU	2,573,406	-	-	-	1,210	2,574,616	
011580	EARLINGTON OPERATIONS CENTER	1,175,060	-	-	-	1,884,483	3,059,543	
012050	SC AND M DANVILLE	546,806	-	-	-	405,834	952,640	
012160	DANVILLE OPERATIONS CENTER	466,142	-	-	-	1,110,989	1,577,131	
012360	RICHMOND OPERATIONS CENTER	483,287	-	-	-	1,208,751	1,692,038	
012460	ELIZABETHTOWN OPERATIONS CENTER	297,172	-	-	-	1,178,597	1,475,769	
012560	SHELBYVILLE OPERATIONS CENTER	508,490	-	-	-	1,152,865	1,661,355	
013030	LEXINGTON METER DEPT	499,556	-	-	-	86,748	586,304	
013040	SC AND M LEXINGTON	819,799	-	-	-	583,443	1,403,242	
013150	LEXINGTON OPERATIONS CENTER	6,018	-	-	-	6,018	12,036	
013180	METER READING - KU	169,040	-	-	-	-	169,040	
013660	MAYSVILLE OPERATIONS CENTER	709,467	-	-	-	1,277,899	1,987,366	
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	1,951,988	-	-	-	4,850,488	6,802,476	
014050	PINEVILLE METER DEPT	244,405	-	-	-	45,151	289,556	
014180	PINEVILLE OPERATIONS CENTER	686,231	-	507	-	739,687	1,425,918	
014260	LONDON OPERATIONS CENTER	494,790	-	2,745	-	986,367	1,483,882	
014370	ASSET INFORMATION - KU	121,283	-	-	-	-	121,283	
014940	SC AND M PINEVILLE	512,888	-	-	-	153,312	666,200	
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	1,081	1,081	
015325	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	441	441	
015480	PAYROLL	5,000	-	-	-	-	5,000	
015590	CORPORATE ITEMS	(2,410,525)	-	-	-	4,857	(2,405,668)	
015595	TC I/MEA/MPA PARTNER ALLOCATION	(2,035,975)	(7,116)	-	-	-	(2,043,091)	
015730	GENERATION SUPPORT - KU	-	-	-	-	288	288	
015820	KU METER SHOP	(131,539)	-	-	-	131,539	-	
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	3,200	-	-	-	(926)	2,274	
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	(5,604)	-	-	-	3,330	(2,274)	
015870	TRANSMISSION LINES	916	-	-	-	(916)	0	
015970	KU - TELECOMMUNICATIONS	350,649	-	-	-	213,826	564,475	
016120	GREEN RIVER - SUPT	3,399,930	-	-	-	-	3,399,930	
016130	GREEN RIVER - OPERATIONS	1,717,090	-	-	-	53,236	1,770,326	
016220	E W BROWN - SUPT AND ADMIN	432,574	-	-	-	-	432,574	
016230	EWB OPER / RESULTS	4,156,117	104	-	-	336,292	4,492,512	
016250	EWB EQUIP MNTC	1,281,212	50,731	-	-	83,200	1,415,143	
016260	EWB E AND I MNTC	1,326,237	35,845	-	-	238,793	1,600,975	
016270	EWB COAL HANDLING	642,504	-	-	-	-	642,504	

Arbough/Garrett

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
016300	EWB COMBUSTION TURBINE	1,219,858	-	-	-	34,562	-	1,254,420
016340	EWB LABORATORY	236,606	-	-	-	-	-	236,606
016360	EWB MAINTENANCE	827,521	-	-	-	-	-	827,521
016370	EWB COMMERCIAL OPERATIONS	48,514	-	-	-	-	-	48,514
016520	GHENT - SUPERINTENDENT	408,142	158,250	-	-	102,301	204,776	868,663
016530	GHENT - PLANNING	438,920	-	-	-	-	-	438,920
016540	GH ENGINEERING AND TECHNICAL SERVICES	820,905	-	-	-	152,251	-	973,157
016550	GHENT - MECHANICAL MNTC	1,765,979	4,692	-	-	10,667	-	1,781,338
016580	GHENT - ELECTRICAL MNTC	1,442,562	36,158	-	-	105,520	-	1,584,240
016570	GHENT - COAL YARD	656,909	150	-	-	20,704	-	677,764
016580	GHENT - INSTRUMENT MNTC	1,737,127	30,626	-	-	193,380	-	1,961,133
016600	GHENT - ASST SUPT OPER	284,568	42,401	-	-	43,470	-	370,438
016620	GHENT - SCRUBBER MAINT	585,836	2,470	-	-	40,655	-	628,960
016630	GHENT - COMMERCIAL	134,477	-	-	-	558	336,645	471,677
016640	GHENT - STATION LAB	513,785	-	-	-	2,538	-	516,323
016650	GHENT - OPERATIONS SHIFTS	6,794,891	102	-	-	268,749	-	7,061,741
016660	GHENT-ASST SUPT MNTC	767,632	-	-	-	23,583	-	791,215
016670	GHENT - OUTSIDE MNTC	324,060	-	-	-	147	-	324,206
016680	GHENT - COAL COMBUSTION RESIDUALS	282,167	41,780	-	-	3,199	-	327,146
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(308,073)	-	-	-	-	-	(308,073)
016910	EWB DIX AND LOCK 7 HYDRO	401,071	380	-	-	61,837	-	463,298
017660	NORTON OPERATIONS CENTER	731,521	-	544	-	702,077	243,356	1,677,498
018825	KU GENERATION SERVICES CHARGES	-	-	-	-	11,794	15,121	26,915
018890	KU OPERATING SERVICES CHARGES	3,573	-	-	-	(3,573)	-	-
018910	KU IT CHARGES	6,187	-	-	-	93,188	-	99,375
021000	CHAIRMAN AND CEO	419,214	-	-	-	-	-	419,214
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	94,789	-	-	-	(1,000)	130,964	224,753
021020	DIRECTOR KU OPERATIONS	144,403	-	-	-	-	85,605	210,008
021035	VP CUSTOMER SERVICES - SERVCO	133,607	-	-	-	-	-	133,607
021055	VP ELECTRIC DISTRIBUTION - LKS	160,024	-	-	-	-	-	160,024
021070	DIRECTOR - ASSET MANAGEMENT	34,577	-	-	-	-	50,311	84,889
021071	SYSTEM ANALYSIS AND PLANNING - DIST	195,029	-	-	-	-	212,915	407,945
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	153,155	-	-	-	1,714	111,782	266,651
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	1,474	-	-	-	208	214,833	216,515
021075	ELECTRIC CODES AND STANDARDS	107,767	-	-	-	679	77,586	186,032
021076	ASSET INFORMATION-LKS	11,133	-	-	-	-	33,107	44,240
021080	DISTRIBUTION SYSTEM ADMINISTRATION	170,928	-	-	-	8,545	75,165	254,638
021204	CCS RETAIL SUPPORT	587,937	-	-	-	22,415	-	610,352
021205	RESIDENTIAL SERVICE CENTER	3,326,059	-	-	-	2,956	-	3,329,025
021220	BUSINESS OFFICES	233,862	-	-	-	-	-	233,862
021225	BUSINESS SERVICE CENTER	754,056	-	-	-	-	-	754,056
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	125,244	-	-	-	-	-	125,244
021251	COMPLAINTS AND INQUIRY	190,331	-	73	-	-	-	190,404
021280	MANAGER - METER READING	129,601	-	-	-	-	-	129,601
021315	MANAGER, FIELD SERVICE OPERATIONS	241,107	-	-	-	-	-	241,107
021320	MANAGER - METER ASSET MANAGEMENT - LKS	122,236	-	-	-	-	-	122,236
021325	DIRECTOR REVENUE COLLECTION	80,407	-	-	-	-	-	80,407
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	272,570	-	-	-	14,807	-	287,377
021330	MANAGER REMITTANCE AND COLLECTION	422,182	-	-	-	-	-	422,182
021331	REVENUE ASSURANCE	171,906	-	-	-	-	-	171,906
021335	FEDERAL REGULATION & POLICY	182,217	-	5,111	-	-	-	187,327
021360	MANAGER BUSINESS SERVICES	1,074,192	-	4,128	-	-	-	1,078,320
021370	DIRECTOR, SAP UPGRADE PROJECT	67,359	-	-	-	-	-	67,359
021390	MANAGER MARKETING	201,568	-	-	-	-	-	201,568
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	123,741	-	-	-	-	-	123,741
021415	MANAGER, SMART GRID STRATEGY	65,456	36,097	-	-	-	-	101,553
021420	ENERGY EFFICIENCY OPERATIONS	89	357,714	-	-	-	-	357,802
021440	VP STATE REGULATION AND RATES	784,455	-	-	-	-	-	784,455
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	90,347	-	-	-	-	-	90,347
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	17,669	180,388	-	-	-	-	198,058
021900	PRESIDENT AND COO	269,211	-	-	-	-	-	269,211
022025	GENERATION TURBINE GENERATOR SPECIALIST	239,194	-	-	-	-	-	239,194
022060	DIRECTOR - GENERATION SERVICES	158,385	-	-	-	-	-	158,385
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	422,046	-	-	-	-	-	422,046
022070	RESEARCH AND DEVELOPMENT	236,544	-	-	-	-	-	236,544
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	462,809	-	-	-	-	-	462,809
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	96,735	-	33	-	100,824	-	197,592
022110	MANAGER - GENERATION ENGINEERING	1,433,662	-	-	-	8,088	-	1,441,750
022200	VP - POWER GENERATION	439,046	-	-	-	(2,072)	14,269	450,242
022210	DIRECTOR, COMMERCIAL OPERATIONS	214,889	-	-	-	-	32,884	247,753
022220	LKS - CANE RUN COMMERCIAL OPS	94,347	-	-	-	-	30,925	125,272
022230	LKS - MILL CREEK COMMERCIAL OPS	89,885	-	-	-	-	62,626	152,491
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	46,340	-	-	-	-	22,154	68,493
022250	LKS - GHENT COMMERCIAL OPS	149,335	-	-	-	-	76,458	225,793
022260	LKS - EW BROWN COMMERCIAL OPS	125,768	-	-	-	-	40,863	166,631
022800	DIRECTOR - FUELS MANAGEMENT	236,470	-	-	-	-	-	236,470
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	453,732	-	-	-	-	-	453,732
022970	GENERATION SYSTEM PLANNING	350,850	-	-	-	-	-	350,850
023000	VICE PRESIDENT - TRANSMISSION	115,281	-	-	-	-	-	115,281
023005	DIR TRANS STRATEGY & PLANNING	145,398	-	-	-	-	-	145,398
023010	DIRECTOR - TRANSMISSION	156,276	-	-	-	-	-	156,276
023020	TRANSMISSION SYSTEM OPERATIONS	2,100,297	-	-	-	19,147	-	2,119,545
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	495,468	-	-	-	15,326	-	510,796
023050	TRANSMISSION STRATEGY & PLANNING	310,421	-	-	-	-	559,527	869,948
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	153,902	-	-	-	4,893	130,131	288,926
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	651,401	-	-	-	457,622	448,324	1,557,347
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	308,881	-	-	-	265,388	478,898	1,053,257
023070	MANAGER - TRANSMISSION LINES	218,240	-	-	-	600,757	1,071,528	1,890,525
023080	TRANS RELIABILITY & COMPLIANCE	223,813	-	-	-	-	-	223,813
023090	TRANSMISSION POLICY & TARIFFS	196,544	-	-	-	-	-	196,544
023110	TRANSFORMER SERVICES	21,073	-	-	-	10,935	-	32,009
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	33,135	-	-	-	6,449	72,282	111,866
023200	01 DIRECTOR L&E DISTRIBUTION OPS	59,888	-	-	-	-	57,549	117,447
023210	LKS - FORESTRY	92,144	-	-	-	-	-	92,144
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,042,794	-	-	-	26,109	293,011	1,361,914
023550	SUBSTATION ENGINEERING AND DESIGN	38,181	-	-	-	282,210	317,651	638,042
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	293,102	-	-	-	-	-	293,102
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	126,982	-	-	-	-	-	126,982
023815	SALES ANALYSIS & FORECASTING	275,442	-	-	-	-	-	275,442
024475	GAS STORAGE, CONTROL AND COMPLIANCE	127	-	-	-	-	-	127
025000	SVP HUMAN RESOURCES	201,354	-	-	-	-	-	201,354
025200	DIR - HUMAN RESOURCES	294,854	-	152	-	-	-	295,006
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	294,786	-	-	-	-	-	294,786

Expenditure		Below the		Arbough/Garrett		Total		
Org	Expenditure Org Description	Operating	Mechanism	Line	Other US		Capitalized	Other US
025270	INDUSTRIAL RELATIONS & HRIS	129,651	-	-	-	-	-	129,651
025300	DIRECTOR HR - CORPORATE	157,541	-	-	1,277	-	-	158,818
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	137,336	-	-	-	-	18,725	156,063
025420	CORPORATE PURCHASING	254,561	37,412	-	-	-	678	292,672
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	299,867	-	-	-	-	-	299,867
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	67,665	-	-	-	(315)	162,210	229,559
025460	MANAGER - SUPPLIER DIVERSITY	67,694	-	-	-	-	-	67,694
025470	SARBANES OXLEY	69,820	-	-	(0)	-	-	69,820
025500	DIRECTOR OPERATING SERVICES	104,084	-	-	-	-	-	104,084
025510	CONTRACT MANAGER - XEROX CORP.	46,667	-	-	-	-	-	46,667
025530	MANAGER TRANSPORTATION	-	-	-	-	-	120,139	120,139
025550	MANAGER OFFICE FACILITIES	172,942	-	-	-	-	-	172,942
025551	FACILITY OPERATIONS NORTH	37,423	-	-	-	-	-	37,423
025552	FACILITY OPERATIONS CENTRAL	38,623	-	-	-	-	-	38,623
025553	FACILITY OPERATIONS SOUTH	39,328	-	-	-	-	-	39,328
025555	FACILITY OPERATIONS - LEXINGTON	36,541	-	-	-	-	-	36,541
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	34,638	-	-	-	-	-	34,638
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	168,092	-	-	-	13,003	32,987	234,083
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	315,342	-	-	-	-	-	315,342
025593	PROJECT PLANNING AND MANAGEMENT	127,507	-	-	-	74,644	974	203,124
025594	CORPORATE FACILITY SERVICES	47,991	-	-	-	-	-	47,991
025620	MANAGER HEALTH AND SAFETY	111,437	-	-	-	-	-	111,437
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,172,944	-	-	-	-	-	1,172,944
025660	STAFFING SERVICES	240,854	-	-	-	-	-	240,854
025670	COMPENSATION/HR POLICY & COMPLIANCE	100,996	-	-	-	315	-	101,311
025680	MANAGER BENEFITS AND RECORDS	144,608	-	-	-	90,147	-	234,756
025700	DIRECTOR - HUMAN RESOURCES	343,192	-	-	217	-	-	343,409
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	231,340	-	-	-	-	-	231,340
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	291,160	-	-	-	-	2,302	293,462
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	177,910	152	1,308	-	-	-	179,370
025775	HRIS	143,524	-	-	-	9,829	-	153,354
025780	MANAGER DIVERSITY STRATEGY	54,783	-	-	-	-	-	54,783
026020	FINANCIAL PLANNING & BUDGETING	136,544	-	-	-	-	-	136,544
026030	GENERATION, PE, AND SAFETY BUDGETING	523,055	-	-	-	134,643	834	658,532
026045	DIRECTOR CORPORATE TAX	442,891	-	-	-	-	-	442,891
026050	CFO	173,559	-	660	-	-	-	174,219
026060	MANAGER REVENUE ACCOUNTING	305,770	-	-	-	-	-	305,770
026120	MANAGER PROPERTY ACCOUNTING	515,100	-	-	-	-	-	515,100
026130	CONTROLLER	137,835	-	-	-	-	-	137,835
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	112,422	-	-	-	-	-	112,422
026140	MANAGER - FINANCIAL PLANNING	276,901	-	-	-	-	-	276,901
026145	SHARED SERVICES & CORPORATE BUDGETING	256,075	-	-	-	-	-	256,075
026150	FINANCIAL ACCOUNTING AND ANALYSIS	230,496	-	-	-	340	-	230,836
026155	FINANCIAL REPORTING	223,567	-	-	-	-	-	223,567
026180	REGULATORY ACCOUNTING AND REPORTING	300,868	-	-	-	-	-	300,868
026170	MANAGER - CUSTOMER ACCOUNTING	1,277,416	-	-	-	43	-	1,277,460
026180	CORPORATE ACCOUNTING	347,213	-	-	-	-	-	347,213
026200	SUPPLY CHAIN SUPPORT	375,208	-	-	-	970	-	376,176
026310	MANAGER PAYROLL	173,291	-	-	-	3,414	-	176,705
026330	TREASURER	141,273	-	-	-	-	-	141,273
026350	RISK MANAGEMENT	132,353	-	-	-	163	-	132,516
026370	CORPORATE FINANCE	224,243	-	-	-	-	-	224,243
026390	CREDIT/CONTRACT ADMINISTRATION	200,505	-	-	-	831	-	201,336
026400	AUDIT SERVICES	510,848	-	-	-	-	-	510,848
026490	CHIEF INFORMATION OFFICER	85,727	-	-	-	-	-	85,727
026492	SER IT CHARGES	-	-	-	-	(172,981)	-	(172,981)
026496	IT SOURCE PROJECT CLEARING	-	-	-	-	(35,210)	-	(35,210)
026600	IT INFRASTRUCTURE AND OPERATIONS	158,874	-	-	-	2,709	-	161,583
026615	ARCHITECTURE AND ENGINEERING	836,802	-	-	-	136,637	101	973,541
026625	TRANSPORT ENGINEERING	982,535	-	-	-	86,605	-	1,079,141
026634	CLOSED DATA CENTER OPERATIONS	(263)	-	-	-	-	-	(263)
026635	WORKSTATION ENGINEERING	949,806	-	-	-	116,552	202	1,066,560
026636	IT CIP INFRASTRUCTURE	12,490	-	-	-	9,507	-	21,997
026637	DATA CENTER OPERATIONS	31,550	-	-	-	3,554	-	35,104
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	398,193	-	-	-	130,735	-	528,929
026646	INFRASTRUCTURE SERVICES	49,965	-	-	-	1,254	-	51,219
026680	CLIENT SUPPORT SERVICES	198,542	-	-	-	6,114	-	204,656
026740	IT SECURITY AND RISK MANAGEMENT	109,263	-	-	-	-	-	109,263
026742	IT SECURITY	343,260	-	-	-	22,582	-	365,842
026744	IT SECURITY RISK MANAGEMENT	178,174	-	-	-	78,723	-	256,897
026760	IT TRAINING	126,756	-	-	-	-	-	126,756
026772	TECHNOLOGY SUPPORT CENTER	458,484	-	-	-	-	-	458,484
026774	DESKTOP OPERATIONS	345,285	-	-	-	101,281	-	446,566
026850	VP EXTERNAL AFFAIRS	1,119	-	335,445	-	-	-	336,564
026900	LEGAL DEPARTMENT - LKS	1,012,254	-	-	-	82,318	-	1,094,572
026905	COMPLIANCE DEPT	325,241	-	-	-	-	-	325,241
026910	GENERAL COUNSEL - LKS	163,755	-	-	-	-	-	163,755
026920	DIRECTOR - CORPORATE COMMUNICATION	194,258	-	-	-	-	-	194,258
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	277,807	-	-	-	-	-	277,807
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	605,583	-	-	-	11,942	-	617,525
027600	IT BUSINESS SERVICES	117,098	-	-	-	-	-	117,098
027610	IT PROJECT MANAGEMENT OFFICE	388,081	-	-	-	367,512	-	755,593
027620	IT BUSINESS ANALYSIS	452,610	-	-	-	228,084	-	680,694
027630	IT QUALITY ASSURANCE	53,068	-	-	-	65,051	-	118,119
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	356,120	-	-	-	-	-	356,120
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	67,506	-	-	-	-	-	67,506
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	377,493	-	-	-	129,875	-	507,368
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	356,167	2,986	-	-	245,798	-	604,951
027830	IT CUSTOMER RELATIONSHIP AND BILLING	518,738	15,305	-	-	210,943	-	744,986
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	466,179	-	-	-	328,064	-	794,243
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	432,511	-	-	-	82,148	-	514,659
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	395,408	-	-	-	133,627	-	529,035
027870	IT DEVELOPMENT AND SUPPORT	39,765	-	-	-	-	-	39,765
029640	SVP ENERGY SUPPLY AND ANALYSIS	180,638	-	-	-	-	-	180,638
029660	DIRECTOR - POWER SUPPLY	1,413,297	-	-	-	-	-	1,413,297
029750	PROJECT ENGINEERING	21,894	-	2,409	-	2,385,107	35,239	2,444,649
029760	GENERATION SAFETY	189,007	-	-	-	-	-	189,007
023810	CLOSED 01/20 - ECONOMIC ANALYSIS	312,298	-	-	-	-	-	312,298
027000	CLOSED 06/16 - CHIEF ADMINISTRATIVE OFFICER - SERVCO	50,774	-	-	-	-	-	50,774
027640	CLOSED 10/16 - MANAGER - IT SERVICE MANAGEMENT PROCESS	243,391	-	-	-	-	-	243,391
002560	CR OPERATIONS	730	-	-	-	-	-	730
022805	CORPORATE FUELS RISK MANAGEMENT	111,759	-	-	-	-	-	111,759
023015	TRANSMISSION BALANCING AUTHORITY	3,300	-	-	-	-	-	3,300

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Expenditure Org	Expenditure Org Description	Below the					Total
		Operating	Mechanism	Line	Other US	Capitalized	
002030	G.M.-CANE RUN, OHIO FALLS AND CT	-	-	-	-	47,458	47,458
003550	SUBSTATION ENGINEERING AND DESIGN	-	-	-	-	17,867	17,867
026480	INFORMATION TECHNOLOGY - ROLLUP	-	-	-	-	105,473	105,473
004390	CLOSED 10/16 - MANAGER IT	-	-	-	-	9,368	9,368
016100	GREEN RIVER-ASSTSUPT MNTC	111,783	-	-	-	-	111,783
016150	GREEN RIVER - MECH MNTC	213,674	-	-	-	9,116	222,790
016170	GREEN RIVER - COAL YARD	234,980	-	-	-	24,278	259,257
016180	GREEN RIVER - INST MNTC	292,267	-	-	-	15,357	307,624
016202	GREEN RIVER REGULATORY ASSET	(3,570,418)	-	-	-	-	(3,570,418)
	<b>Total Labor</b>	<b>103,576,711</b>	<b>1,065,283</b>	<b>355,010</b>	<b>-</b>	<b>27,763,895</b>	<b>16,684,430</b>
	<b>Total Off-Duty</b>	<b>17,051,083</b>	<b>161,753</b>	<b>63,166</b>	<b>-</b>	<b>4,729,355</b>	<b>2,308,757</b>
	<b>Total Employee Benefits</b>	<b>55,439,243</b>	<b>414,399</b>	<b>188,706</b>	<b>493,297</b>	<b>15,042,764</b>	<b>8,165,807</b>
	<b>Total Payroll Taxes</b>	<b>9,514,174</b>	<b>60,716</b>	<b>33,687</b>	<b>-</b>	<b>2,530,957</b>	<b>1,670,540</b>
	<b>Total 2015 Payroll Costs</b>	<b>185,580,212</b>	<b>1,702,160</b>	<b>640,569</b>	<b>493,297</b>	<b>50,055,981</b>	<b>28,829,634</b>

2016 Payroll Costs

000020	LG&E AND KU SERVICES COMPANY CORPORATE	(133,785)	-	13,250	-	-	2,440	(118,095)
001075	TECH. AND SAFETY TRAINING DIST - LGE	29,992	-	-	-	-	-	29,992
001220	BUSINESS OFFICES - LGE	(224)	-	-	-	-	-	(224)
002020	GENERATION SUPPORT - LGE	-	-	-	-	(1,542,087)	-	(1,542,087)
002041	LGE - CANE RUN 7 ALLOCATIONS	3,551,498	-	-	-	-	-	3,551,498
002042	LGE - PADDYS RUN 13 ALLOCATIONS	150,696	-	-	-	-	-	150,696
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	432,174	-	-	-	-	-	432,174
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	7,149,560	12,524	-	-	-	-	7,162,084
002130	CANE RUN CCGT - LGE	-	-	-	-	342	-	342
002330	MC ENGINEERING AND TECHNICAL SERVICES	835	-	-	-	-	-	835
002340	MC COMMERCIAL OPERATIONS	-	-	-	-	-	175	175
002650	GENERAL MANAGER - TC	-	-	-	-	30,951	-	30,951
002655	TRIMBLE COUNTY CTS	-	-	-	-	22,222	-	22,222
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	33,364	-	33,364
002710	TC-LABORATORY	-	-	-	-	42	-	42
002720	TC OPERATIONS	-	-	-	-	5,466	-	5,466
002730	TC OPER-A WATCH	-	-	-	-	229	-	229
002740	TC OPER-B WATCH	-	-	-	-	5,824	-	5,824
002750	TC OPER-C WATCH	-	-	-	-	373	-	373
002760	TC OPER-D WATCH	-	-	-	-	261	-	261
002770	TC-MAINTENANCE SVCS	-	-	-	-	9,696	-	9,696
002780	TC-MAINTENANCE IVE	-	-	-	-	107,525	-	107,525
002790	TC-MTCE MECHANICAL	-	-	-	-	10,652	-	10,652
003030	SUBSTATION OPS	380	-	-	-	1,608	155	2,143
003110	TRANSFORMERS SERVICES	51,719	-	-	-	41,464	-	93,183
003160	SC M LOUISVILLE	10,717	-	-	-	38,752	2,809	52,277
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	0	-	0
003300	ELECTRIC CONSTRUCTION CREWS-ESC	17,158	-	-	-	677	-	17,835
003400	ELECTRIC CONSTRUCTION CREWS-AOC	22,884	-	-	-	348	507	23,740
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	2,313	-	-	-	-	-	2,313
003430	NETWORK OPS. 3PH COMMERCIAL	-	-	-	-	311	-	311
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	-	-	-	3,277	3,277
004010	MANAGER DISTRIBUTION DESIGN	-	-	-	-	89,163	-	89,163
004040	DISTRIBUTION DESIGN	6,890	-	-	-	45,550	-	52,440
004060	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	33,610	-	33,610
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	1,209	-	1,209
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	-	-	-	-	1,065	-	1,065
004290	METER SHOP	74	-	-	-	-	-	74
004370	ASSET INFORMATION LGE	182	-	-	-	-	787	969
004380	GAS-ENGINEERS	1,581	-	-	-	1,982	-	3,563
004385	TRANSMISSION INTEGRITY & COMPLIANCE	4,810	-	-	-	-	-	4,810
004450	CORROSION CONTROL	1,535	-	-	-	57,352	-	58,886
004470	MULDRAUGH STORAGE	-	-	-	-	885	-	885
004500	INSTR., MEASUREMENT	-	-	-	-	22,505	-	22,505
004510	SYSTEM REGULATION OPERATION	-	-	-	-	5,996	-	5,996
004600	GAS REGULATORY SERVICES	-	-	-	-	29,163	-	29,163
005310	FACILITIES MTCE	130	-	-	-	538	-	667
006630	LGE - TELECOMMUNICATIONS	256,802	-	1,533	-	138,470	98	396,904
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	566	-	566
008910	LGE IT CHARGES	8,951	-	-	-	24,093	-	33,044
010603	FINC & BUDGTG-POWER PROD KU	270,290	-	-	-	-	-	270,290
011018	VEGETATION MANAGEMENT - KU	372,830	-	-	-	1,455	-	374,285
011050	EARLINGTON METER DEPT	127,630	-	-	-	79,607	-	207,237
011081	AREA 1	185,635	-	-	-	-	-	185,635
011082	AREA 2	315,992	-	-	-	-	-	315,992
011083	AREA 3	134,919	-	-	-	-	-	134,919
011084	AREA 4	346,769	-	-	-	-	-	346,769
011085	AREA 5	346,022	-	-	-	-	-	346,022
011086	AREA 6	397,861	-	-	-	-	-	397,861
011087	AREA 7	177,287	-	-	-	-	-	177,287
011088	AREA 8	116,831	-	-	-	-	-	116,831
011089	AREA 9	470,031	-	-	-	-	-	470,031
011070	AREA 10	184,838	-	-	-	(5,574)	-	179,264
011071	AREA 11	158,317	-	-	-	580	-	158,897
011072	AREA 12	436,320	-	-	-	882	-	437,202
011090	SC AND M EARLINGTON	587,880	-	-	-	149,574	90,850	828,304
011345	REVENUE PROTECTION - KU	66,906	-	-	-	-	-	66,906
011370	FIELD SERVICES - KU	2,561,075	-	-	-	3,188	-	2,564,263
011580	EARLINGTON OPERATIONS CENTER	1,205,276	-	-	-	2,066,646	489,378	3,741,300
012050	SC AND M DANVILLE	525,089	-	-	-	423,066	38,425	986,580
012160	DANVILLE OPERATIONS CENTER	527,380	-	-	-	1,140,782	152,870	1,821,032
012360	RICHMOND OPERATIONS CENTER	482,417	-	-	-	1,215,260	40,983	1,738,660
012460	ELIZABETHTOWN OPERATIONS CENTER	323,570	-	-	-	1,192,319	155,505	1,671,395
012560	SHELBYVILLE OPERATIONS CENTER	531,460	-	-	-	1,052,971	43,473	1,627,904
013030	LEXINGTON METER DEPT	359,664	-	-	-	235,605	-	595,269
013040	SC AND M LEXINGTON	746,018	-	-	-	704,703	147,788	1,598,508
013085	STORM RESTORATION	1,573	-	-	-	(1,573)	11,114	11,114
013180	METER READING - KU	415,273	-	-	-	-	-	415,273
013660	MAYSVILLE OPERATIONS CENTER	650,614	-	-	-	1,339,338	172,841	2,162,794
013910	CLOSED 08/20 - MANAGER - LEXINGTON OPERATIONS CENTER	1,753,974	-	-	-	4,987,588	206,945	6,928,517
014050	PINEVILLE METER DEPT	178,215	(302)	-	-	120,026	-	297,939
014160	PINEVILLE OPERATIONS CENTER	873,936	-	1,285	-	691,923	225,723	1,792,867
014280	LONDON OPERATIONS CENTER	501,392	-	4,766	-	1,044,896	190,541	1,741,695
014370	ASSET INFORMATION - KU	125,127	-	-	-	12,622	480,100	617,850
014840	SC AND M PINEVILLE	529,386	-	260	-	179,399	40,614	749,659

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other I/S	Total
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	364	177,951	178,315
015326	EARLINGTON MATERIAL LOGISTICS	1,573	-	-	-	1,222	149,592	152,387
015590	CORPORATE ITEMS	(2,809,590)	-	(3,736)	-	(11,334)	2,606,369	(218,271)
015595	TC IMA/MPA PARTNER ALLOCATION	(2,261,679)	(3,131)	-	-	-	2,177,451	(87,360)
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	-	-	-	-	(18,966)	-	(18,966)
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	23,585	-	-	-	(4,416)	-	19,169
015870	TRANSMISSION LINES	4,038	-	-	-	(4,036)	-	(2)
015970	KU - TELECOMMUNICATIONS	310,492	-	-	-	277,159	1,108	588,760
016120	GREEN RIVER - SUPT	126,226	-	-	-	68,965	-	194,191
016130	GREEN RIVER - OPERATIONS	150,685	-	-	-	51,762	-	202,450
016220	E W BROWN - SUPT AND ADMIN	468,940	-	-	-	-	-	468,940
016230	EWB OPER / RESULTS	4,211,143	-	-	-	136,069	-	4,347,212
016250	EWB EQUIP MNTC	1,291,298	44,968	-	-	18,613	-	1,354,878
016260	EWB E AND I MNTC	1,459,707	91,039	-	-	115,647	-	1,666,393
016270	EWB COAL HANDLING	721,444	-	-	-	-	-	721,444
016300	EWB COMBUSTION TURBINE	1,243,049	-	-	-	-	-	1,243,049
016330	BR ENGINEERING AND TECHNICAL SERVICES	160,926	-	-	-	-	-	160,926
016340	EWB LABORATORY	239,809	-	-	-	-	-	239,809
016360	EWB MAINTENANCE	744,214	-	-	-	-	-	744,214
016370	EWB COMMERCIAL OPERATIONS	58,108	-	-	-	-	189,053	247,159
016520	GHENT - SUPERINTENDENT	640,139	15,324	-	-	63,101	-	718,564
016530	GHENT - PLANNING	730,885	-	-	-	-	-	730,885
016540	GH ENGINEERING AND TECHNICAL SERVICES	992,810	-	-	-	39,346	-	1,032,155
016550	GHENT - MECHANICAL MNTC	1,891,934	22,315	-	-	128,256	-	2,042,505
016560	GHENT - ELECTRICAL MNTC	1,496,513	92,697	-	-	53,237	-	1,642,448
016570	GHENT - COAL YARD	563,497	301	-	-	-	-	563,797
016580	GHENT - INSTRUMENT MNTC	1,778,820	103,950	-	-	55,810	-	1,938,580
016600	GHENT - ASST SUPT OPER	295,035	90,127	-	-	21,750	-	406,913
016620	GHENT - SCRUBBER MAINT	608,630	28,648	-	-	24,732	-	660,011
016830	GHENT - COMMERCIAL	85,249	-	-	-	-	365,191	450,440
016840	GHENT - STATION LAB	512,676	-	-	-	22,518	-	535,194
016850	GHENT - OPERATIONS SHIFTS	7,077,018	-	-	-	50,833	-	7,127,851
016660	GHENT-ASST SUPT MNTC	664,501	910	-	-	29,733	-	695,143
016670	GHENT - OUTSIDE MNTC	411,030	1,137	-	-	877	-	413,044
016680	GHENT - COAL COMBUSTION RESIDUALS	160,344	236,434	-	-	3,264	-	400,041
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(273,998)	-	-	-	-	-	(273,998)
016910	EWB DIX AND LOCK 7 HYDRO	299,077	63,430	-	-	28,460	-	390,968
017860	NORTON OPERATIONS CENTER	719,612	-	606	-	735,795	294,696	1,750,708
018840	KU METERING CHARGES	-	-	2	-	-	-	0
018890	KU OPERATING SERVICES CHARGES	13,638	-	-	-	(14,517)	-	(882)
018910	KU IT CHARGES	8,364	-	-	-	26,462	-	34,826
021000	CHAIRMAN AND CEO	428,562	-	-	-	-	-	428,562
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	100,119	-	-	-	-	156,544	256,663
021020	DIRECTOR KU OPERATIONS	101,918	-	-	-	174	108,837	210,929
021035	VP CUSTOMER SERVICES - SERVCO	141,703	-	-	-	-	-	141,703
021055	VP ELECTRIC DISTRIBUTION - LKS	138,623	-	-	-	-	2,781	141,403
021070	DIRECTOR - ASSET MANAGEMENT	36,823	-	-	-	-	53,883	90,717
021071	SYSTEM ANALYSIS AND PLANNING - DIST	164,198	-	-	-	476	194,726	359,402
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	128,652	-	-	-	4,738	88,114	221,504
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	1,708	-	-	-	-	224,375	226,082
021075	ELECTRIC CODES AND STANDARDS	110,274	-	-	-	14,689	144,627	269,591
021076	ASSET INFORMATION-LKS	23,570	-	-	-	-	67,990	91,561
021080	DISTRIBUTION SYSTEM ADMINISTRATION	174,348	-	-	-	47,634	-	221,982
021204	CCS RETAIL SUPPORT	434,132	-	-	-	459	-	434,591
021205	RESIDENTIAL SERVICE CENTER	3,553,424	-	-	-	1,180	-	3,554,614
021220	BUSINESS OFFICES	236,307	-	-	-	-	-	236,307
021225	BUSINESS SERVICE CENTER	790,081	-	-	-	-	-	790,081
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	130,963	-	-	-	-	-	130,963
021251	COMPLAINTS AND INQUIRY	186,280	-	0	-	-	-	186,280
021280	MANAGER - METER READING	128,590	-	-	-	-	-	128,590
021315	MANAGER, FIELD SERVICE OPERATIONS	281,850	-	733	-	-	-	282,583
021320	MANAGER - METER ASSET MANAGEMENT - LKS	125,477	-	-	-	-	-	125,477
021325	DIRECTOR REVENUE COLLECTION	76,566	-	-	-	-	-	76,566
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	288,585	-	-	-	8,869	-	298,454
021330	MANAGER REMITTANCE AND COLLECTION	393,732	-	-	-	778	-	394,509
021331	REVENUE ASSURANCE	168,364	-	-	-	-	-	168,364
021335	FEDERAL REGULATION & POLICY	228,521	-	-	-	-	-	228,521
021360	MANAGER BUSINESS SERVICES	981,044	-	(645)	-	-	-	980,399
021370	DIRECTOR, SAP UPGRADE PROJECT	55,351	324	-	-	637,116	-	692,791
021390	MANAGER MARKETING	187,602	-	-	-	-	-	187,602
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	125,868	-	-	-	-	-	125,868
021415	MANAGER, SMART GRID STRATEGY	101,846	31,156	-	-	-	9,456	142,459
021420	ENERGY EFFICIENCY OPERATIONS	2,824	373,129	-	-	-	-	375,953
021440	VP STATE REGULATION AND RATES	829,426	-	-	-	-	-	829,426
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	105,288	-	-	-	-	-	105,288
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	3,664	230,083	-	-	-	-	233,747
021900	PRESIDENT AND COO	286,267	-	-	-	-	-	286,267
022025	GENERATION TURBINE GENERATOR SPECIALIST	225,064	-	-	-	24,209	-	249,273
022060	DIRECTOR - GENERATION SERVICES	112,843	-	-	-	-	820	113,663
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	344,806	-	-	-	-	-	344,806
022070	RESEARCH AND DEVELOPMENT	255,076	-	-	-	-	-	255,076
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	361,588	-	-	-	2,841	-	364,229
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	137,724	-	-	-	33,688	-	171,412
022110	MANAGER - GENERATION ENGINEERING	1,068,477	-	-	-	10,920	-	1,079,397
022200	VP - POWER GENERATION	417,070	-	-	-	39,578	-	493,196
022210	DIRECTOR, COMMERCIAL OPERATIONS	120,137	-	-	-	-	129,504	249,642
022220	LKS - CANE RUN COMMERCIAL OPS	52,191	-	-	-	-	73,597	125,788
022230	LKS - MILL CREEK COMMERCIAL OPS	20,578	-	-	-	-	37,412	57,990
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	20,486	-	-	-	-	24,512	44,999
022250	LKS - GHENT COMMERCIAL OPS	68,949	-	-	-	-	110,325	179,274
022260	LKS - EW BROWN COMMERCIAL OPS	88,405	-	-	-	-	65,314	133,719
022800	DIRECTOR - FUELS MANAGEMENT	232,673	-	-	-	-	-	232,673
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	299,602	-	-	-	-	-	299,602
022970	GENERATION SYSTEM PLANNING	315,026	-	-	-	-	-	315,026
023000	VICE PRESIDENT - TRANSMISSION	116,938	-	-	-	-	-	116,938
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	6,699	-	-	-	-	7,569	14,267
023005	DIR TRANS STRATEGY & PLANNING	103,278	-	-	-	-	48,702	151,980
023010	DIRECTOR - TRANSMISSION	81,502	-	-	-	-	48,870	110,372
023020	TRANSMISSION SYSTEM OPERATIONS	2,024,577	-	-	-	538	-	2,025,114
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	501,384	-	-	-	-	-	501,384
023050	TRANSMISSION STRATEGY & PLANNING	336,269	-	-	-	-	560,187	896,456
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	146,770	-	-	-	-	167,207	313,976
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	790,033	-	-	-	678,026	354,794	1,822,853

Expenditure Org	Expenditure Org Description	Below the					Arbough/Garrett		Total
		Operating	Mechanism	Line	Other I/S	Capitalized	Other B/S		
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	270,035	-	-	-	282,741	410,255	973,030	
023070	MANAGER - TRANSMISSION LINES	208,211	-	-	-	575,566	1,161,563	1,945,340	
023076	TRANSMISSION PROJECT MANAGEMENT	-	-	-	-	-	2,025	2,025	
023080	TRANS RELIABILITY & COMPLIANCE	228,819	-	-	-	-	-	228,819	
023090	TRANSMISSION POLICY & TARIFFS	205,896	-	-	-	-	-	205,896	
023110	TRANSFORMER SERVICES	15,457	-	-	-	19,047	-	34,505	
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	2,481	-	-	-	18,269	131,410	152,160	
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	61,091	-	-	-	-	55,575	116,666	
023210	LKS - FORESTRY	94,190	-	-	-	-	-	94,190	
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,150,713	-	-	-	9,719	408,597	1,569,029	
023550	SUBSTATION ENGINEERING AND DESIGN	28,607	-	-	-	291,767	333,752	654,126	
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	293,882	-	-	-	-	-	293,882	
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	124,081	-	-	-	-	-	124,081	
023815	SALES ANALYSIS & FORECASTING	262,811	-	-	-	-	-	262,811	
025000	SVP HUMAN RESOURCES	201,192	-	-	-	-	-	201,192	
025200	DIR - HUMAN RESOURCES	276,995	-	-	-	-	-	276,995	
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	207,945	-	-	-	-	-	207,945	
025270	INDUSTRIAL RELATIONS & HRIS	124,679	-	-	-	-	-	124,679	
025300	DIRECTOR HR - CORPORATE	159,446	-	-	-	-	-	159,446	
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	154,866	-	-	-	-	28,783	183,650	
025415	IT SOURCING AND CONTRACT MANAGEMENT	277,005	-	-	-	-	-	277,005	
025420	CORPORATE PURCHASING	179,139	13,620	-	-	-	-	192,759	
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	306,508	-	-	-	-	-	306,508	
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	18,809	-	-	-	88	314,427	333,423	
025460	MANAGER - SUPPLIER DIVERSITY	49,267	-	-	-	-	1,092	50,359	
025470	SARBANES OXLEY	78,211	-	-	-	-	-	78,211	
025500	DIRECTOR OPERATING SERVICES	107,792	-	-	-	-	-	107,792	
025510	CONTRACT MANAGER - XEROX CORP.	46,872	-	-	-	-	-	46,872	
025530	MANAGER TRANSPORTATION	-	-	-	-	-	125,960	125,960	
025550	MANAGER OFFICE FACILITIES	202,850	-	-	-	608	285	203,743	
025551	FACILITY OPERATIONS NORTH	39,049	-	-	-	-	-	39,049	
025552	FACILITY OPERATIONS CENTRAL	38,416	-	-	-	-	-	38,416	
025553	FACILITY OPERATIONS SOUTH	39,277	-	-	-	-	-	39,277	
025555	FACILITY OPERATIONS - LEXINGTON	36,337	-	-	-	-	-	36,337	
025550	FACILITY OPERATIONS DATA/CONTROL CENTER	39,911	-	-	-	-	-	39,911	
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	193,658	-	-	-	20,375	131,603	345,636	
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	295,794	-	-	-	-	-	295,794	
025593	PROJECT PLANNING AND MANAGEMENT	120,557	-	-	-	69,647	2,023	192,226	
025594	CORPORATE FACILITY SERVICES	45,108	-	-	-	-	-	45,108	
025620	MANAGER HEALTH AND SAFETY	116,469	-	-	-	-	-	116,469	
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,195,235	-	-	-	-	-	1,195,235	
025660	STAFFING SERVICES	270,278	-	-	-	-	-	270,278	
025670	COMPENSATION/HR POLICY & COMPLIANCE	101,342	-	-	-	-	-	101,342	
025680	MANAGER BENEFITS AND RECORDS	189,903	-	-	-	1,641	-	200,549	
025700	DIRECTOR - HUMAN RESOURCES	305,690	-	-	-	-	-	305,690	
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	267,959	-	-	-	-	-	267,959	
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	291,420	-	-	-	-	414	291,834	
025730	GAS SAFETY AND TECHNICAL TRAINING	2,210	-	-	-	-	-	2,210	
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	186,369	-	-	-	-	-	186,369	
025775	HRIS	170,738	-	-	-	-	-	170,738	
025780	MANAGER DIVERSITY STRATEGY	44,696	-	-	-	-	-	44,696	
026020	FINANCIAL PLANNING & BUDGETING	152,525	-	-	-	-	-	152,525	
026030	GENERATION, PE, AND SAFETY BUDGETING	568,645	-	-	-	88,942	2,708	660,295	
026045	DIRECTOR CORPORATE TAX	402,376	-	-	-	-	-	402,376	
026050	CFO	184,629	-	-	-	-	-	184,629	
026080	MANAGER REVENUE ACCOUNTING	306,506	-	-	-	-	-	306,506	
026120	MANAGER PROPERTY ACCOUNTING	514,959	-	-	-	-	-	514,959	
026130	CONTROLLER	140,039	-	-	-	-	-	140,039	
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	95,958	-	-	-	-	-	95,958	
026140	MANAGER - FINANCIAL PLANNING	264,989	-	-	-	-	-	264,989	
026145	SHARED SERVICES & CORPORATE BUDGETING	262,777	-	-	-	14,214	-	276,991	
026150	FINANCIAL ACCOUNTING AND ANALYSIS	234,535	-	-	-	-	-	234,535	
026155	FINANCIAL REPORTING	228,542	-	-	-	-	-	228,542	
026160	REGULATORY ACCOUNTING AND REPORTING	313,034	-	-	-	-	-	313,034	
026170	MANAGER - CUSTOMER ACCOUNTING	1,204,468	-	-	-	1,127	-	1,205,595	
026190	CORPORATE ACCOUNTING	341,428	-	-	-	-	-	341,428	
026200	SUPPLY CHAIN SUPPORT	354,800	-	-	-	-	-	354,800	
026310	MANAGER PAYROLL	182,360	-	-	-	-	-	182,360	
026330	TREASURER	146,607	-	-	-	-	-	146,607	
026350	RISK MANAGEMENT	115,437	-	-	-	-	-	115,437	
026370	CORPORATE FINANCE	202,758	-	-	-	-	-	202,758	
026390	CREDIT/CONTRACT ADMINISTRATION	220,266	-	-	-	-	-	220,266	
026400	AUDIT SERVICES	532,106	-	473	-	-	-	532,579	
026490	CHIEF INFORMATION OFFICER	166,844	-	-	-	-	-	166,844	
026492	SER IT CHARGES	19	-	-	-	-	-	19	
026496	IT SOURCE PROJECT CLEARING	-	-	-	-	(52,057)	-	(52,057)	
026600	IT INFRASTRUCTURE AND OPERATIONS	101,456	-	-	-	(14,785)	-	(14,785)	
026615	ARCHITECTURE AND ENGINEERING	265,237	-	-	-	21,536	-	286,773	
026625	TRANSPORT ENGINEERING	315,641	-	-	-	22,189	-	337,830	
026634	CLOSED DATA CENTER OPERATIONS	38,659	-	-	-	164,746	200	403,605	
026635	WORKSTATION ENGINEERING	423,882	-	-	-	-	-	423,882	
026636	IT CIP INFRASTRUCTURE	413,049	-	-	-	63,579	-	476,628	
026637	DATA CENTER OPERATIONS	435,227	-	-	-	29,815	-	465,042	
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	707,560	-	-	-	40,514	-	748,074	
026646	INFRASTRUCTURE SERVICES	593,545	-	-	-	32,789	291	626,625	
026680	CLIENT SUPPORT SERVICES	72,988	-	-	-	146,706	-	219,694	
026740	IT SECURITY AND RISK MANAGEMENT	105,205	-	-	-	547	-	105,752	
026742	IT SECURITY	410,033	-	-	-	-	-	410,033	
026744	IT SECURITY RISK MANAGEMENT	156,019	-	-	-	40,595	-	196,614	
026780	IT TRAINING	107,379	-	-	-	38,586	-	145,965	
026772	TECHNOLOGY SUPPORT CENTER	404,598	-	-	-	92	-	404,690	
026774	DESKTOP OPERATIONS	284,838	-	-	-	21,655	-	306,493	
026850	VP EXTERNAL AFFAIRS	-	-	384,294	-	-	-	384,294	
026890	LEGAL DEPARTMENT - LKS	993,198	-	1,959	-	-	-	1,000,157	
026905	COMPLIANCE DEPT	339,687	-	-	-	67,285	-	406,972	
026910	GENERAL COUNSEL - LKS	184,679	-	-	-	-	-	184,679	
026920	DIRECTOR - CORPORATE COMMUNICATION	187,252	-	-	-	-	-	187,252	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	284,146	-	-	-	-	-	284,146	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	654,804	-	-	-	-	-	654,804	
027600	IT BUSINESS SERVICES	120,244	-	-	-	3,429	-	123,673	
027610	IT PROJECT MANAGEMENT OFFICE	354,177	-	-	-	349,278	16,874	720,329	
027620	IT BUSINESS ANALYSIS	392,439	-	-	-	261,789	-	654,228	
027630	IT QUALITY ASSURANCE	58,786	-	-	-	80,323	-	139,109	

Arbough/Garrett

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	321,824	-	-	-	-	-	321,824
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	77,070	-	-	-	5,488	6,512	89,070
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	346,726	-	-	-	122,590	-	469,316
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	349,028	-	-	-	243,491	-	592,519
027830	IT CUSTOMER RELATIONSHIP AND BILLING	291,848	17,877	-	-	354,401	5,771	659,897
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	502,049	-	-	-	222,174	318	724,540
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	403,242	-	-	-	60,931	-	464,173
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	338,891	-	-	-	162,672	-	501,562
027870	IT DEVELOPMENT AND SUPPORT	45,004	-	-	-	93,213	5,172	143,389
029640	SVP ENERGY SUPPLY AND ANALYSIS	198,324	-	-	-	-	-	198,324
029660	DIRECTOR - POWER SUPPLY	1,542,386	-	-	-	-	-	1,542,386
029750	PROJECT ENGINEERING	15,687	-	-	-	1,851,678	43,342	1,910,707
029760	GENERATION SAFETY	145,078	-	-	-	-	-	145,078
023810	CLOSED 0120 - ECONOMIC ANALYSIS	155,878	-	-	-	-	-	155,878
027640	CLOSED 1016 - MANAGER - IT SERVICE MANAGEMENT PROCESS	4,030	-	-	-	-	-	4,030
022805	CORPORATE FUELS RISK MANAGEMENT	780	-	-	-	-	-	780
002890	TRIMBLE COUNTY 2 CONSTRUCTION - LGE	-	-	-	-	848,795	-	848,795
006810	LCC IT CHARGES	251	-	-	-	-	-	251
015795	TRIMBLE COUNTY 2 CONSTRUCTION - KU	-	-	-	-	740,202	-	740,202
016980	TRANSMISSION RELIABILITY & COMPLIANCE - KU	2,575	-	-	-	-	-	2,575
018834	KU - GHENT COMMERCIAL OPS	(41,479)	-	-	-	-	41,479	-
018835	KU - BROWN COMMERCIAL OPS	(31,385)	-	-	-	-	31,385	-
018965	KU - FED REGULATORY CHARGES	151,535	-	-	-	-	-	151,535
	<b>Total Labor</b>	<b>102,528,155</b>	<b>1,464,559</b>	<b>404,779</b>	<b>-</b>	<b>26,740,701</b>	<b>14,418,607</b>	<b>145,556,801</b>
	<b>Total Off-Duty</b>	<b>16,915,073</b>	<b>256,726</b>	<b>69,020</b>	<b>-</b>	<b>4,572,538</b>	<b>2,388,225</b>	<b>24,201,582</b>
	<b>Total Employee Benefits</b>	<b>48,103,022</b>	<b>416,257</b>	<b>189,142</b>	<b>469,604</b>	<b>12,174,094</b>	<b>7,170,036</b>	<b>68,522,155</b>
	<b>Total Payroll Taxes</b>	<b>9,782,358</b>	<b>62,533</b>	<b>36,313</b>	<b>-</b>	<b>2,497,036</b>	<b>1,345,585</b>	<b>13,723,825</b>
	<b>Total 2016 Payroll Costs</b>	<b>177,328,609</b>	<b>2,200,075</b>	<b>699,254</b>	<b>469,604</b>	<b>45,984,368</b>	<b>25,322,453</b>	<b>252,004,363</b>

2017 Payroll Costs

000020	LG&E AND KU SERVICES COMPANY CORPORATE	3,899	-	-	-	-	3,899	7,797
001075	TECH. AND SAFETY TRAINING DIST - LGE	37,371	-	-	-	-	-	37,371
001220	BUSINESS OFFICES - LGE	4	-	-	-	-	-	4
001280	METER READING - LGE	-	-	-	-	70	-	70
001411	CS PROJECT SERVICES - LGE	-	-	-	-	9,771	-	9,771
002041	LGE - CANE RUN 7 ALLOCATIONS	3,443,866	-	-	-	-	-	3,443,866
002042	LGE - FADDY'S RUN 13 ALLOCATIONS	155,025	-	-	-	-	-	155,025
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	452,765	-	-	-	-	-	452,765
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	6,911,826	15,577	-	-	-	-	6,927,403
002130	CANE RUN COGT - LGE	-	-	-	-	13,949	-	13,949
002140	OTH PROD OPR/MTC	-	-	-	-	359	-	359
002340	MC COMMERCIAL OPERATIONS	10,896	-	-	-	-	-	10,896
002480	MGR. MILL CREEK MAINTENANCE	-	-	-	-	4,892	-	4,892
002481	MILL CREEK MECHANICAL MAINTENANCE	-	-	-	-	6,582	-	6,582
002650	GENERAL MANAGER - TC	-	-	-	-	509	-	509
002655	TRIMBLE COUNTY CTS	-	-	-	-	25,969	-	25,969
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	67,564	-	67,564
002710	TC-LABORATORY	-	-	-	-	17,187	-	17,187
002720	TC OPERATIONS	-	-	-	-	41,837	-	41,837
002730	TC OPER-A WATCH	-	-	-	-	786	-	786
002750	TC OPER-C WATCH	-	-	-	-	28,034	-	28,034
002760	TC OPER-D WATCH	-	-	-	-	1,303	-	1,303
002770	TC-MAINTENANCE SVCS	-	-	-	-	70,544	-	70,544
002780	TC-MAINTENANCE V/E	-	-	-	-	86,254	-	86,254
002790	TC-MTCE MECHANICAL	-	-	-	-	51,454	-	51,454
003030	SUBSTATION OPS.	929	-	-	-	3,064	-	3,992
003110	TRANSFORMERS SERVICES	36,840	-	-	-	42,748	-	79,588
003160	SC M LOUISVILLE	958	-	-	-	20,211	23,603	44,772
003300	ELECTRIC CONSTRUCTION CREWS-ESC	178	-	-	-	700	-	878
003400	ELECTRIC CONSTRUCTION CREWS-ACC	179	-	-	-	-	2,575	2,754
004010	MANAGER DISTRIBUTION DESIGN	-	-	-	-	29,129	-	29,129
004040	DISTRIBUTION DESIGN	20,042	-	310	-	36,762	-	57,114
004060	GAS DIST. CONTRACT CONSTRUCTION	3,268	-	-	-	13,029	-	16,297
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	4,099	-	-	-	190	-	4,289
004290	METER SHOP	10	2,104	-	-	38,020	-	40,133
004380	GAS-ENGINEERS	-	-	-	-	790	-	790
004385	TRANSMISSION INTEGRITY & COMPLIANCE	1,451	-	-	-	-	-	1,451
004450	CORROSION CONTROL	194	-	-	-	4,968	-	5,162
004500	INSTR. MEASUREMENT	-	-	-	-	42,341	-	42,341
004510	SYSTEM REGULATION OPERATION	-	-	-	-	21,786	-	21,786
004600	GAS REGULATORY SERVICES	-	-	-	-	232	-	232
006630	LGE - TELECOMMUNICATIONS	326,120	-	2,077	-	70,951	229	399,378
008820	LGE GENERATION CHARGES	58,334	-	-	-	-	-	58,334
008890	LGE OPERATING SERVICES CHARGES	(13,012)	-	-	-	15	-	(12,996)
008910	LGE IT CHARGES	-	-	-	-	(9,939)	-	(9,939)
010603	FINC & BUDGTNG-POWER PROD KU	179,351	-	-	-	-	-	179,351
011018	VEGETATION MANAGEMENT - KU	343,456	-	-	-	1,678	-	345,134
011050	EARLINGTON METER DEPT	77,242	-	-	-	132,834	-	210,078
011061	AREA 1	190,350	-	-	-	-	-	190,350
011062	AREA 2	280,671	-	-	-	-	-	280,671
011063	AREA 3	126,874	-	-	-	-	-	126,874
011064	AREA 4	293,227	-	-	-	-	-	293,227
011065	AREA 5	358,760	-	-	-	-	-	358,760
011066	AREA 6	415,587	-	-	-	-	-	415,587
011067	AREA 7	193,872	-	-	-	-	-	193,872
011068	AREA 8	160,666	-	-	-	-	-	160,666
011069	AREA 9	484,458	-	-	-	-	-	484,458
011070	AREA 10	207,383	-	-	-	-	-	207,383
011071	AREA 11	150,054	-	-	-	-	-	150,054
011072	AREA 12	439,097	-	-	-	-	-	439,097
011090	SC AND M EARLINGTON	567,844	-	-	-	223,038	87,958	878,941
011345	REVENUE PROTECTION - KU	57,559	-	-	-	-	-	57,559
011370	FIELD SERVICES - KU	2,579,034	-	32	-	8,312	201	2,587,580
011411	CS PROJECT SERVICES - KU	-	-	-	-	10,223	(125,780)	(115,557)
011560	EARLINGTON OPERATIONS CENTER	1,153,864	-	-	-	2,154,305	440,119	3,748,288
012050	SC AND M DANVILLE	529,996	-	-	-	312,047	33,498	875,541
012160	DANVILLE OPERATIONS CENTER	548,375	-	-	-	1,095,309	197,564	1,841,248
012380	RICHMOND OPERATIONS CENTER	460,319	-	-	-	1,283,281	122,823	1,866,202
012480	ELIZABETHOWN OPERATIONS CENTER	347,616	-	-	-	1,207,233	216,208	1,771,056
012560	SHELBYVILLE OPERATIONS CENTER	507,285	1,918	-	-	1,203,031	67,759	1,779,873
013030	LEXINGTON METER DEPT	457,782	-	-	-	118,464	-	586,246

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other BS	Total
013040	SC AND M LEXINGTON	973,618	-	-	-	686,365	152,806	1,812,789
013085	STORM RESTORATION	(162)	-	-	-	162	13,333	13,333
013150	LEXINGTON OPERATIONS CENTER	826,006	-	-	-	2,445,059	253,629	3,524,694
013180	METER READING - KU	352,825	-	-	-	-	-	352,825
013660	MAYSVILLE OPERATIONS CENTER	672,637	-	-	-	1,297,714	255,497	2,225,848
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	801,996	-	-	-	2,532,252	116,607	3,450,855
014050	PINEVILLE METER DEPT	190,900	-	-	-	81,525	-	272,424
014160	PINEVILLE OPERATIONS CENTER	793,451	-	1,817	-	748,957	251,581	1,795,805
014260	LONDON OPERATIONS CENTER	426,850	-	-	-	1,058,396	227,345	1,712,591
014370	ASSET INFORMATION - KU	129,608	-	-	-	2,238	523,939	655,785
014940	SC AND M PINEVILLE	543,237	-	306	-	202,022	32,663	778,247
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	143	175,448	175,590
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	493	153,888	154,381
015690	CORPORATE ITEMS	(2,725,945)	-	(3,832)	-	-	2,725,945	(3,832)
015695	TC IMA/MPA PARTNER ALLOCATION	(2,204,295)	(3,894)	-	-	-	2,152,259	(75,930)
015730	GENERATION SUPPORT - KU	-	-	-	-	-	(309,066)	(309,066)
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	389	-	-	-	(389)	-	0
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	28,171	-	-	-	(17,488)	(10,663)	-
015870	TRANSMISSION LINES	236	-	-	-	(1,908)	-	(1,672)
015970	KU - TELECOMMUNICATIONS	333,913	-	-	-	331,271	217	665,400
016130	GREEN RIVER - OPERATIONS	29,461	-	-	-	(608)	-	28,852
016220	E W BROWN - SUPT AND ADMIN	444,419	(25,010)	-	-	-	-	419,409
016230	EWB OPER / RESULTS	4,098,598	-	-	-	732	-	4,099,330
016250	EWB EQUIP MNTC	1,332,492	87,935	-	-	62,550	-	1,482,978
016260	EWB E AND I MNTC	1,479,932	96,246	-	-	72,597	-	1,648,775
016270	EWB COAL HANDLING	584,988	-	-	-	-	-	584,988
016300	EWB COMBUSTION TURBINE	1,050,202	-	-	-	63,387	-	1,113,589
016330	BR ENGINEERING AND TECHNICAL SERVICES	301,301	-	-	-	-	-	301,301
016340	EWB LABORATORY	239,431	-	-	-	-	-	239,431
016360	EWB MAINTENANCE	536,833	0	-	-	12,721	-	549,555
016370	EWB COMMERCIAL OPERATIONS	51,570	-	-	-	-	194,876	246,446
016520	GHENT - SUPERINTENDENT	636,024	5,729	6,392	-	73,413	-	721,558
016530	GHENT - PLANNING	882,732	-	-	-	10,761	4,947	898,440
016540	GH ENGINEERING AND TECHNICAL SERVICES	639,025	-	-	-	245,739	-	884,764
016550	GHENT - MECHANICAL MNTC	1,932,508	37,345	-	-	129,511	-	2,099,365
016560	GHENT - ELECTRICAL MNTC	1,420,819	114,367	3,554	-	122,413	-	1,661,152
016570	GHENT - COAL YARD	495,896	-	-	-	-	-	495,896
016580	GHENT - INSTRUMENT MNTC	1,577,037	146,279	-	-	138,283	-	1,861,599
016600	GHENT - ASST SUPT OPER	316,145	123,226	-	-	-	-	439,371
016620	GHENT - SCRUBBER MAINT	562,130	42,064	-	-	44,384	-	648,579
016630	GHENT - COMMERCIAL	59,823	-	-	-	1,472	411,783	473,078
016640	GHENT - STATION LAB	542,498	-	-	-	9,631	-	552,130
016650	GHENT - OPERATIONS SHIFTS	7,084,154	-	-	-	-	-	7,084,154
016660	GHENT-ASST SUPT MNTC	734,849	2,247	-	-	51,310	-	788,406
016670	GHENT - OUTSIDE MNTC	368,165	529	-	-	3,607	-	382,301
016680	GHENT - COAL COMBUSTION RESIDUALS	152,245	267,192	-	-	3,329	-	422,766
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(237,054)	-	-	-	-	-	(237,054)
016910	EWB DIX AND LOCK 7 HYDRO	278,984	146,015	-	-	2,547	-	427,545
017660	NORTON OPERATIONS CENTER	713,840	-	919	-	761,258	373,022	1,849,039
018677	KU FINANCIAL PLANNING ANALYSIS	25,938	-	-	-	-	-	25,938
018678	KU FINANCIAL PLANNING	(25,938)	-	-	-	-	-	(25,938)
018820	KU GENERATION CHARGES	47,096	-	-	-	-	-	47,096
018827	KU PROJECT ENGINEERING CHARGES	309,066	-	-	-	-	-	309,066
018840	KU METERING CHARGES	-	-	-	-	-	125,780	125,780
018890	KU OPERATING SERVICES CHARGES	(16,043)	-	-	-	-	-	(16,043)
018910	KU IT CHARGES	86,135	-	-	-	(7,455)	-	78,680
018912	KU ENTERPRISE SECURITY CHARGES	(78,294)	-	-	-	-	-	(78,294)
021000	CHAIRMAN AND CEO	424,342	-	-	-	-	-	424,342
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	99,560	-	-	-	21,588	167,843	288,991
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	64,429	-	-	-	-	80,229	144,659
021020	DIRECTOR KU OPERATIONS	51,109	-	-	-	403	162,541	214,053
021035	VP CUSTOMER SERVICES - SERVCO	133,457	-	-	-	-	2,864	136,321
021055	VP ELECTRIC DISTRIBUTION - LKS	150,507	-	-	-	-	-	150,507
021070	DIRECTOR - ASSET MANAGEMENT	23,666	-	-	-	-	56,272	79,937
021071	SYSTEM ANALYSIS AND PLANNING - DIST	188,064	-	-	-	-	211,926	409,990
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	58,228	-	-	-	-	52,620	110,848
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	44,914	-	-	-	-	163,938	208,852
021075	ELECTRIC CODES AND STANDARDS	109,517	-	-	-	10,581	153,034	273,133
021076	ASSET INFORMATION-LKS	20,189	-	-	-	1,614	83,124	104,928
021080	DISTRIBUTION SYSTEM ADMINISTRATION	195,480	-	-	-	25,361	-	220,841
021204	CCS RETAIL SUPPORT	474,045	-	-	-	1,708	-	475,753
021205	RESIDENTIAL SERVICE CENTER	3,683,966	-	-	-	1,001	-	3,684,967
021220	BUSINESS OFFICES	298,047	-	-	-	75	-	298,122
021225	BUSINESS SERVICE CENTER	815,679	-	-	-	-	-	815,679
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	117,628	-	-	-	-	-	117,628
021251	COMPLAINTS AND INQUIRY	190,343	-	-	-	-	-	190,343
021280	MANAGER - METER READING	112,500	-	-	-	-	-	112,500
021315	MANAGER, FIELD SERVICE OPERATIONS	338,490	-	-	-	-	-	338,490
021320	MANAGER - METER ASSET MANAGEMENT - LKS	96,971	-	-	-	-	-	96,971
021325	DIRECTOR REVENUE COLLECTION	71,135	-	-	-	-	-	71,135
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	329,102	-	-	-	1,524	17,553	348,179
021330	MANAGER REMITTANCE AND COLLECTION	369,923	-	-	-	31	-	369,954
021331	REVENUE ASSURANCE	172,799	-	-	-	26	6,092	178,917
021335	FEDERAL REGULATION & POLICY	47,657	-	5,500	-	851	-	54,009
021360	MANAGER BUSINESS SERVICES	1,038,446	-	-	-	-	-	1,038,446
021370	DIRECTOR, SAP UPGRADE PROJECT	225,180	-	-	-	432,009	3,597	660,786
021390	MANAGER MARKETING	203,232	-	-	-	-	10,926	214,158
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	115,027	-	-	-	-	11,805	126,833
021411	CS PROJECT SERVICES - LKS	(9,762)	8,836	-	-	94,159	76,186	169,419
021415	MANAGER, SMART GRID STRATEGY	101,256	2,086	-	-	-	3,477	106,819
021420	ENERGY EFFICIENCY OPERATIONS	9,487	316,088	-	-	25,178	7,081	357,834
021440	VP STATE REGULATION AND RATES	888,132	-	-	-	21	-	888,153
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	107,871	-	-	-	55	-	107,925
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	1,952	212,613	-	-	25,678	13,471	253,715
021900	PRESIDENT AND COO	306,512	-	-	-	-	-	306,512
021904	CHIEF OPERATING OFFICER	158,573	-	-	-	-	-	158,573
022025	GENERATION TURBINE GENERATOR SPECIALIST	228,791	-	-	-	23,164	-	251,956
022060	DIRECTOR - GENERATION SERVICES	98,852	-	519	-	-	-	99,371
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	344,903	-	-	-	-	-	344,903
022070	RESEARCH AND DEVELOPMENT	273,872	-	-	-	1,532	-	275,404
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	322,867	-	-	-	3,188	-	326,055
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	32,164	-	-	-	5,058	-	37,222
022110	MANAGER - GENERATION ENGINEERING	1,075,891	-	-	-	65,030	-	1,140,921

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other US	Capitalized	Other BS	Total
022200	VP - POWER GENERATION	504,096	-	-	-	48,160	-	552,256
022210	DIRECTOR, COMMERCIAL OPERATIONS	70,459	-	-	-	22,528	103,062	196,047
022220	LKS - CANE RUN COMMERCIAL OPS	19,138	-	-	-	-	50,379	69,517
022230	LKS - MILL CREEK COMMERCIAL OPS	21,166	-	-	-	-	38,654	59,820
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	14,846	-	-	-	-	13,224	28,070
022250	LKS - GHENT COMMERCIAL OPS	54,443	-	-	-	4,819	123,968	183,228
022260	LKS - EW BROWN COMMERCIAL OPS	44,670	-	-	-	1,143	105,884	151,697
022270	LKS - RIVERPORT COMMERCIAL OPS	19,355	-	-	-	-	35,080	54,436
022800	DIRECTOR - FUELS MANAGEMENT	237,171	-	-	-	-	-	237,171
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	275,359	-	-	-	23	-	275,382
022970	GENERATION SYSTEM PLANNING	353,486	-	-	-	811	-	354,297
023000	VICE PRESIDENT - TRANSMISSION	118,018	-	-	-	-	-	118,018
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	14,909	-	-	-	-	86,770	101,679
023005	DIR TRANS STRATEGY & PLANNING	78,200	-	-	-	-	75,737	153,937
023010	DIRECTOR - TRANSMISSION	115,144	-	-	-	-	-	115,144
023020	TRANSMISSION SYSTEM OPERATIONS	2,144,670	-	-	-	3,898	637	2,148,206
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	477,961	-	-	-	2,578	-	480,539
023050	TRANSMISSION STRATEGY & PLANNING	348,225	-	-	-	758	508,825	857,808
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	148,202	-	-	-	572	233,124	381,898
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	516,817	-	-	-	517,455	470,151	1,504,423
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	356,552	-	-	-	488,192	346,736	1,191,481
023070	MANAGER - TRANSMISSION LINES	237,360	-	24	-	730,322	1,181,324	2,149,029
023076	TRANSMISSION PROJECT MANAGEMENT	1,315	-	-	-	-	138,557	139,872
023080	TRANS RELIABILITY & COMPLIANCE	50,507	-	-	-	-	-	50,507
023090	TRANSMISSION POLICY & TARIFFS	224,507	-	-	-	-	-	224,507
023110	TRANSFORMER SERVICES	13,119	-	-	-	26,718	-	39,838
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	20,583	-	-	-	-	66,293	86,876
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	53,290	-	-	-	25,744	81,307	140,341
023210	LKS - FORESTRY	93,781	-	-	-	-	-	93,781
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,072,222	-	-	-	77,966	671,407	1,821,595
023550	SUBSTATION ENGINEERING AND DESIGN	23,534	-	-	-	349,187	268,226	640,927
023551	DISTRIBUTION ASSETS & STANDARDS	5,413	-	-	-	25,390	203,834	234,737
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	314,785	-	-	-	-	-	314,785
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	120,217	-	-	-	-	-	120,217
023815	SALES ANALYSIS & FORECASTING	295,809	-	-	-	-	-	295,809
024000	VP - GAS DISTRIBUTION	12,250	-	-	-	-	-	12,250
025000	SVP HUMAN RESOURCES	146,513	-	-	-	-	-	146,513
025200	DIR - HUMAN RESOURCES	260,691	-	-	-	-	-	260,691
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	209,327	-	-	-	2,125	-	211,452
025270	INDUSTRIAL RELATIONS & HRIS	157,256	-	-	-	-	-	157,256
025300	DIRECTOR HR - CORPORATE	192,062	-	-	-	-	-	192,062
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	181,250	-	-	-	3,641	25,688	210,578
025415	IT SOURCING AND CONTRACT MANAGEMENT	272,581	-	-	-	2,523	-	275,103
025420	CORPORATE PURCHASING	202,122	16,573	-	-	3,460	-	222,155
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	323,912	-	-	-	8,783	-	332,695
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	17,897	-	-	-	1,396	320,780	340,073
025460	MANAGER - SUPPLIER DIVERSITY	58,446	-	-	-	-	-	58,446
025470	SARBANES OXLEY	83,934	-	-	-	-	-	83,934
025500	DIRECTOR OPERATING SERVICES	111,437	-	-	-	-	-	111,437
025510	CONTRACT MANAGER - XEROX CORP.	46,005	-	-	-	-	-	46,005
025530	MANAGER TRANSPORTATION	-	-	-	-	3,986	126,026	130,012
025550	MANAGER OFFICE FACILITIES	235,046	-	-	-	-	-	235,046
025551	FACILITY OPERATIONS NORTH	47,923	-	-	-	-	-	47,923
025552	FACILITY OPERATIONS CENTRAL	43,514	-	-	-	-	-	43,514
025553	FACILITY OPERATIONS SOUTH	44,098	-	-	-	-	-	44,098
025555	FACILITY OPERATIONS - LEXINGTON	38,275	-	-	-	-	-	38,275
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	46,086	-	-	-	-	-	46,086
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	166,318	-	-	-	4,181	150,626	321,126
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	281,464	-	-	-	16,437	-	297,901
025593	PROJECT PLANNING AND MANAGEMENT	137,054	-	409	-	116,208	2,050	255,720
025694	CORPORATE FACILITY SERVICES	58,776	-	-	-	-	-	58,776
025620	MANAGER HEALTH AND SAFETY	128,785	-	1,927	-	-	-	130,712
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,282,995	-	1,165	-	434	-	1,284,594
025680	STAFFING SERVICES	310,852	-	74	-	-	-	310,926
025670	COMPENSATION/HR POLICY & COMPLIANCE	119,175	-	-	-	-	-	119,175
025680	MANAGER BENEFITS AND RECORDS	193,913	-	-	-	-	-	193,913
025700	DIRECTOR - HUMAN RESOURCES	264,195	-	-	-	-	-	264,195
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	284,864	-	-	-	1,899	-	286,763
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	295,809	-	-	-	760	11,044	307,613
025730	GAS SAFETY AND TECHNICAL TRAINING	-	-	-	-	28	-	28
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	137,505	-	3,469	-	-	-	140,974
025775	HRIS	162,438	-	-	-	4,751	-	167,189
025780	MANAGER DIVERSITY STRATEGY	49,440	-	-	-	-	-	49,440
026020	FINANCIAL PLANNING & BUDGETING	156,148	-	-	-	-	-	156,148
026030	GENERATION, PE, AND SAFETY BUDGETING	564,495	-	-	-	62,303	-	626,798
026045	DIRECTOR CORPORATE TAX	428,756	-	777	-	-	-	429,533
026050	CFO	193,361	-	-	-	-	-	193,361
026080	MANAGER REVENUE ACCOUNTING	336,035	-	-	-	22,614	-	358,649
026120	MANAGER PROPERTY ACCOUNTING	500,862	-	-	-	-	-	500,862
026130	CONTROLLER	139,909	-	-	-	-	-	139,909
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	99,508	-	-	-	-	-	99,508
026140	MANAGER - FINANCIAL PLANNING	277,866	-	-	-	-	-	277,866
026145	SHARED SERVICES & CORPORATE BUDGETING	281,909	-	-	-	-	-	281,909
026150	FINANCIAL ACCOUNTING AND ANALYSIS	234,051	-	-	-	3,287	-	237,338
026155	FINANCIAL REPORTING	246,022	-	-	-	-	-	246,022
026160	REGULATORY ACCOUNTING AND REPORTING	282,953	-	-	-	-	-	282,953
026170	MANAGER - CUSTOMER ACCOUNTING	1,184,975	-	-	-	13,398	-	1,198,373
026190	CORPORATE ACCOUNTING	390,038	-	-	-	985	-	391,023
026200	SUPPLY CHAIN SUPPORT	305,159	-	-	-	699	-	305,858
026310	MANAGER PAYROLL	173,234	-	-	-	-	-	173,234
026330	TREASURER	153,876	-	-	-	-	-	153,876
026350	RISK MANAGEMENT	117,269	-	1,810	-	-	-	119,079
026370	CORPORATE FINANCE	194,575	-	-	-	-	-	194,575
026390	CREDIT/CONTRACT ADMINISTRATION	209,972	-	-	-	3,476	-	213,448
026400	AUDIT SERVICES	532,032	-	1,423	-	-	-	533,455
026490	CHIEF INFORMATION OFFICER	81,128	-	-	-	-	-	81,128
026492	SER IT CHARGES	-	-	-	-	(860)	-	(860)
026600	IT INFRASTRUCTURE AND OPERATIONS	190,694	-	-	-	47,469	-	238,164
026615	ARCHITECTURE AND ENGINEERING	148,386	-	-	-	21,206	-	169,593
026625	TRANSPORT ENGINEERING	336,659	-	-	-	164,960	-	501,620
026630	DATA NETWORKING	332,221	-	78	-	80,384	-	412,682
026634	CLOSED DATA CENTER OPERATIONS	58,773	-	-	-	-	-	58,773
026635	WORKSTATION ENGINEERING	350,624	-	-	-	68,288	-	398,892

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026636	IT CIP INFRASTRUCTURE	402,346	-	-	-	62,494	-	464,840
026637	DATA CENTER OPERATIONS	566,116	-	-	-	96,685	-	662,801
026638	GLOBAL NOC	99,254	-	-	-	2,464	-	101,718
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	257,536	-	-	-	25,752	-	283,289
026646	INFRASTRUCTURE SERVICES	669,111	-	-	-	126,768	-	795,879
026739	ENTERPRISE SECURITY	13,292	-	-	-	-	-	13,292
026740	IT SECURITY AND RISK MANAGEMENT	101,778	-	-	-	-	-	101,778
026742	IT SECURITY	403,321	-	-	-	26,504	-	429,825
026744	IT SECURITY RISK MANAGEMENT	226,289	-	-	-	43,679	-	269,968
026749	ENTERPRISE SECURITY SOURCE PROJECT CLEARING	7,588	-	-	-	-	-	7,588
026760	IT TRAINING	140,182	-	-	-	9	-	140,171
026772	TECHNOLOGY SUPPORT CENTER	431,806	-	-	-	3,088	-	434,894
026774	DESKTOP OPERATIONS	284,352	-	-	-	83,975	47	368,373
026850	VP EXTERNAL AFFAIRS	-	-	242,480	-	-	-	242,480
026900	LEGAL DEPARTMENT - LKS	1,088,251	-	1,107	-	69,366	-	1,158,744
026905	COMPLIANCE DEPT	354,134	-	-	-	-	-	354,134
026910	GENERAL COUNSEL - LKS	149,202	-	-	-	-	-	149,202
026920	DIRECTOR - CORPORATE COMMUNICATION	198,101	-	-	-	-	-	198,101
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	234,020	-	-	-	-	-	234,020
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	635,915	-	-	-	-	-	635,915
027600	IT BUSINESS SERVICES	127,640	-	-	-	13,521	-	141,161
027810	IT PROJECT MANAGEMENT OFFICE	384,447	-	-	-	283,244	21,884	689,575
027820	IT BUSINESS ANALYSIS	341,374	-	-	-	246,776	24,658	612,807
027830	IT QUALITY ASSURANCE	85,796	-	-	-	54,697	598	141,091
027850	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	191,522	-	-	-	1,917	-	193,439
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	56,540	-	2,400	-	85,172	72,956	217,067
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	297,907	-	-	-	194,466	-	492,373
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	244,598	-	-	-	318,155	-	562,754
027830	IT CUSTOMER RELATIONSHIP AND BILLING	237,623	-	-	-	343,312	1,004	581,939
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	461,015	-	-	-	270,366	1,628	733,010
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	335,259	-	-	-	136,066	-	471,325
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	383,176	-	-	-	140,430	-	523,606
027870	IT DEVELOPMENT AND SUPPORT	106,437	-	-	-	23,313	-	131,750
029640	SVP ENERGY SUPPLY AND ANALYSIS	177,703	-	-	-	12,521	-	190,224
029660	DIRECTOR - POWER SUPPLY	1,577,945	-	-	-	1,261	-	1,579,206
029750	PROJECT ENGINEERING	33,669	-	-	-	2,030,464	-	2,064,133
029760	GENERATION SAFETY	141,711	-	-	-	-	-	141,711
	<b>Total Labor</b>	<b>101,366,432</b>	<b>1,616,064</b>	<b>274,735</b>	<b>-</b>	<b>28,081,459</b>	<b>15,703,037</b>	<b>147,041,726</b>
	<b>Total Off-Duty</b>	<b>16,893,738</b>	<b>282,080</b>	<b>45,679</b>	<b>-</b>	<b>4,858,448</b>	<b>2,557,232</b>	<b>24,637,177</b>
	<b>Total Employee Benefits</b>	<b>48,000,560</b>	<b>389,422</b>	<b>117,461</b>	<b>595,171</b>	<b>12,884,234</b>	<b>7,452,497</b>	<b>69,439,405</b>
	<b>Total Payroll Taxes</b>	<b>9,702,445</b>	<b>52,935</b>	<b>28,016</b>	<b>-</b>	<b>2,646,055</b>	<b>1,520,390</b>	<b>13,949,840</b>
	<b>Total 2017 Payroll Costs</b>	<b>175,963,175</b>	<b>2,340,502</b>	<b>465,891</b>	<b>595,171</b>	<b>48,470,255</b>	<b>27,233,155</b>	<b>255,068,149</b>

2018 Payroll Costs

000020	LG&E AND KU SERVICES COMPANY CORPORATE	118,653	-	-	-	2,344	(750,117)	(629,120)
001075	TECH. AND SAFETY TRAINING DIST - LGE	38,817	-	-	-	-	-	38,817
001220	BUSINESS OFFICES - LGE	1,950	-	-	-	-	-	1,950
001280	METER READING - LGE	-	-	-	-	1,099	-	1,099
001295	FIELD SERVICE - LGE	2,696	-	-	-	-	-	2,696
001345	METER SHOP LGE	6,166	-	-	-	39,186	-	45,352
002041	LGE - CANE RUN 7 ALLOCATIONS	3,755,402	-	-	-	-	-	3,755,402
002042	LGE - PADDYS RUN 13 ALLOCATIONS	161,658	-	-	-	-	-	161,658
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	570,398	-	-	-	-	-	570,398
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	7,556,980	26,530	-	-	-	-	7,583,510
002130	CANE RUN CCGT - LGE	-	-	-	-	9,046	-	9,046
002320	MC-COMMON PLANT	-	-	-	-	969	-	969
002340	MC COMMERCIAL OPERATIONS	201	-	-	-	-	-	201
002480	MGR. MILL CREEK MAINTENANCE	-	-	-	-	4,222	-	4,222
002481	MILL CREEK MECHANICAL MAINTENANCE	(42)	42	-	-	3,451	-	3,451
002650	GENERAL MANAGER - TC	-	-	-	-	81	-	81
002680	TC ENGINEERING AND TECHNICAL SERVICES	388	-	-	-	35,094	-	35,482
002710	TC-LABORATORY	1,001	-	-	-	19,343	-	20,344
002720	TC OPERATIONS	-	-	-	-	161,088	-	161,088
002750	TC OPER-C WATCH	-	-	-	-	6,872	-	6,872
002760	TC OPER-D WATCH	-	-	-	-	696	-	696
002770	TC-MAINTENANCE SVCS	-	-	-	-	59,871	-	59,871
002780	TC-MAINTENANCE #E	118	285	-	-	171,640	-	172,043
002790	TC-MTCE MECHANICAL	-	-	-	-	29,699	-	29,699
003030	SUBSTATION OPS.	230	-	-	-	2,043	-	2,273
003110	TRANSFORMERS SERVICES	42,727	-	-	-	58,480	-	101,206
003160	SC M LOUISVILLE	1,717	-	-	-	1,362	9,470	12,548
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	(4,323)	-	(4,323)
003300	ELECTRIC CONSTRUCTION CREWS-ESC	-	-	-	-	775	-	775
003320	STREET LIGHTING-LGE	-	-	-	-	1,148	-	1,148
003400	ELECTRIC CONSTRUCTION CREWS-AOC	-	-	-	-	2,652	-	2,652
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	939	-	-	-	-	-	939
003430	NETWORK OPS. 3PH COMMERCIAL	88	-	1,330	-	-	-	1,418
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	-	-	342	-	342
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	-	-	-	-	12,613	1,407	14,021
004040	DISTRIBUTION DESIGN	14,851	-	614	-	4,744	-	20,208
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	-	-	-	-	1,211	-	1,211
004140	MANAGER, GAS CONSTRUCTION	4,922	-	-	-	-	-	4,922
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	711	-	-	-	1,600	-	2,311
004270	GAS DISPATCH	-	-	-	-	710	-	710
004280	GAS TROUBLE	-	-	-	-	175	-	175
004290	METER SHOP	6,077	541	-	-	41,194	-	49,813
004370	ASSET INFORMATION LGE	-	-	-	-	3,408	-	3,408
004380	GAS-ENGINEERS	-	-	-	-	1,218	-	1,218
004385	TRANSMISSION INTEGRITY & COMPLIANCE	3,403	-	-	-	1,254	-	4,656
004450	CORROSION CONTROL	-	-	-	-	235	-	235
004475	DIR. GAS CONTROL AND STORAGE - LGE	-	-	-	-	254	-	254
004600	GAS REGULATORY SERVICES	56	-	-	-	-	-	56
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	-	-	-	-	750	-	750
004630	OPERATOR QUALIFICATIONS PROGRAM	333	-	-	-	-	-	333
004640	COMPLIANCE/ENVIRONMENTAL COORDINATOR	2,388	-	-	-	3,236	-	5,624
005310	FACILITIES MTCE	-	-	-	-	3,288	-	3,288
006630	LGE - TELECOMMUNICATIONS	320,734	-	2,390	-	105,238	633	429,994
008825	LGE GENERATION SERVICES CHARGES	(1,978)	-	-	-	-	-	(1,978)
008827	LGE PROJECT ENGINEERING CHARGES	-	-	-	-	219	-	219
010603	FINC & BUDGTNG-POWER PROD KU	159,014	-	-	-	-	-	159,014
011018	VEGETATION MANAGEMENT - KU	355,743	-	-	-	-	-	355,743

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
011050	EARLINGTON METER DEPT	4,198	-	-	-	-	-	4,198
011061	AREA 1	200,601	-	-	-	-	-	200,601
011062	AREA 2	288,055	-	-	-	82	-	288,137
011063	AREA 3	130,612	-	-	-	-	-	130,612
011064	AREA 4	335,240	-	-	-	10	-	335,250
011065	AREA 5	374,419	-	-	-	178	-	374,597
011066	AREA 6	441,328	-	-	-	-	-	441,328
011067	AREA 7	197,021	-	-	-	-	-	197,021
011068	AREA 8	170,571	-	-	-	110	-	170,681
011069	AREA 9	546,039	-	-	-	-	-	546,039
011070	AREA 10	242,195	-	-	-	-	-	242,195
011071	AREA 11	182,031	-	-	-	-	-	182,031
011072	AREA 12	470,387	-	-	-	-	-	470,387
011090	SC AND M EARLINGTON	589,384	-	-	-	118,850	107,565	815,800
011370	FIELD SERVICES - KU	2,967,647	-	3,235	-	10,521	-	2,981,403
011590	EARLINGTON OPERATIONS CENTER	1,342,187	-	-	-	2,367,963	551,538	4,261,688
012050	SC AND M DANVILLE	660,239	-	-	-	412,615	42,861	1,115,715
012160	DANVILLE OPERATIONS CENTER	611,198	-	-	-	1,286,857	94,422	1,992,477
012360	RICHMOND OPERATIONS CENTER	571,296	-	-	-	1,394,794	87,676	2,053,765
012480	ELIZABETHTOWN OPERATIONS CENTER	354,043	-	-	-	1,325,129	203,393	1,882,565
012560	SHELBYVILLE OPERATIONS CENTER	560,250	-	-	-	1,399,808	82,962	2,043,121
013030	LEXINGTON METER DEPT	15,412	-	-	-	-	-	15,412
013040	SC AND M LEXINGTON	992,165	-	-	-	748,339	134,017	1,874,522
013150	LEXINGTON OPERATIONS CENTER	1,808,305	-	-	-	5,556,632	463,550	7,828,487
013180	METER READING - KU	370,217	-	-	-	-	-	370,217
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	115,780	-	-	-	209,207	29,498	364,485
013660	MAYSVILLE OPERATIONS CENTER	862,657	-	-	-	1,454,687	223,948	2,541,492
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	92,689	-	-	-	4,818	-	97,306
014050	PINEVILLE METER DEPT	4,019	-	-	-	-	-	4,019
014160	PINEVILLE OPERATIONS CENTER	858,415	-	8,051	-	831,195	272,535	1,970,196
014260	LONDON OPERATIONS CENTER	501,810	-	314	-	1,202,275	302,128	2,006,527
014370	ASSET INFORMATION - KU	135,556	-	-	-	2,897	554,141	692,694
014940	SC AND M PINEVILLE	551,704	-	1,435	-	153,239	43,195	749,573
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	1,852	172,055	173,907
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	2,757	145,847	148,604
015490	PAYROLL	190,546	-	-	-	-	-	190,546
015590	CORPORATE ITEMS	(3,451,851)	-	(18,539)	-	-	3,451,851	(18,539)
015595	TC IMEA/MPA PARTNER ALLOCATION	(2,345,832)	(6,633)	-	-	-	2,276,360	(76,104)
015820	KU METER SHOP	830,067	-	1,530	-	262,855	-	1,094,452
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	712	-	-	-	(87)	-	625
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	20,489	-	-	-	(23,390)	-	(2,901)
015868	TRANSMISSION SUBSTATION CONSTRUCTION - EARLINGTON	53	-	-	-	-	-	53
015870	TRANSMISSION LINES	719	-	-	-	(1,563)	(0)	(845)
015970	KU - TELECOMMUNICATIONS	334,710	-	-	-	407,248	1,357	743,315
016220	E W BROWN - SUPT AND ADMIN	422,329	-	-	-	-	-	422,329
016230	EWB OPER / RESULTS	4,002,212	1,738	-	-	19,496	-	4,023,446
016250	EWB EQUIP MNTC	1,268,236	81,624	-	-	156,711	-	1,506,571
016260	EWB E AND I MNTC	1,459,350	89,862	-	-	72,756	-	1,621,968
016270	EWB COAL HANDLING	392,008	-	-	-	-	-	392,008
016300	EWB COMBUSTION TURBINE	1,211,029	-	-	-	94,431	-	1,305,460
016330	BR ENGINEERING AND TECHNICAL SERVICES	286,383	-	-	-	-	-	286,383
016340	EWB LABORATORY	253,793	-	-	-	-	-	253,793
016360	EWB MAINTENANCE	572,027	-	-	-	13,033	-	585,060
016370	EWB COMMERCIAL OPERATIONS	56,246	-	-	-	-	197,950	254,096
016520	GHENT - SUPERINTENDENT	736,007	1,701	-	-	130,293	-	868,001
016530	GHENT - PLANNING	684,413	-	-	-	5,131	-	689,544
016540	GH ENGINEERING AND TECHNICAL SERVICES	747,784	-	-	-	239,073	914	987,772
016550	GHENT - MECHANICAL MNTC	2,079,414	23,551	-	-	133,048	-	2,236,013
016560	GHENT - ELECTRICAL MNTC	1,418,293	163,727	-	-	202,502	-	1,784,522
016570	GHENT - COAL YARD	512,520	-	-	-	-	-	512,520
016580	GHENT - INSTRUMENT MNTC	1,567,703	155,610	-	-	222,026	-	1,945,339
016600	GHENT - ASST SUPT OPER	342,071	139,534	-	-	-	-	481,605
016620	GHENT - SCRUBBER MAINT	584,916	94,814	-	-	28,041	-	787,770
016630	GHENT - COMMERCIAL	41,176	-	-	-	-	407,983	449,159
016640	GHENT - STATION LAB	559,328	-	-	-	10,336	-	569,664
016650	GHENT - OPERATIONS SHIFTS	7,316,377	-	-	-	49,595	-	7,365,975
016660	GHENT-ASST SUPT MNTC	755,009	1,663	-	-	82,440	-	839,112
016870	GHENT - OUTSIDE MNTC	387,488	244	-	-	3,112	-	370,844
016880	GHENT - COAL COMBUSTION RESIDUALS	148,001	233,830	-	-	33,264	-	415,095
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(265,601)	-	-	-	-	-	(265,601)
016910	EWB DIX AND LOCK 7 HYDRO	358,681	94,217	-	-	16,614	-	469,492
017660	NORTON OPERATIONS CENTER	824,588	-	3,870	-	787,409	421,998	2,037,865
018827	KU PROJECT ENGINEERING CHARGES	-	-	-	-	328	-	328
018850	KU RETAIL BUSINESS CHARGES	(586)	-	-	-	-	-	(586)
018890	KU OPERATING SERVICES CHARGES	4,599	-	-	-	(4,293)	-	306
018910	KU IT CHARGES	66,277	-	-	-	(66,277)	-	-
020899	IC INCL. LKS-PPL SERV ISD - INFORMATION TECHNOLOGY	(5,507)	-	-	-	-	-	(5,507)
021000	CHAIRMAN AND CEO	135,807	-	-	-	-	-	135,807
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	99,321	-	-	-	59,587	168,246	327,154
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	76,074	-	-	-	48	91,853	168,075
021020	DIRECTOR KU OPERATIONS	41,443	-	-	-	-	183,538	224,979
021035	VP CUSTOMER SERVICES - SERVCO	149,384	-	-	-	-	-	149,384
021055	VP ELECTRIC DISTRIBUTION - LKS	154,111	-	-	-	-	-	154,111
021070	DIRECTOR - ASSET MANAGEMENT	20,559	-	-	-	-	61,679	82,238
021071	SYSTEM ANALYSIS AND PLANNING - DIST	191,585	-	-	-	3,220	219,220	414,025
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	50,197	-	-	-	995	56,189	107,381
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	54,337	-	-	-	3,762	143,624	201,723
021075	ELECTRIC CODES AND STANDARDS	116,076	-	-	-	1,555	152,284	269,916
021076	ASSET INFORMATION-LKS	18,741	-	-	-	8,785	70,971	98,497
021078	PROTECTION & CONTROL ENGINEERING	10,100	-	-	-	3,452	17,008	30,558
021080	DISTRIBUTION SYSTEM ADMINISTRATION	200,637	-	-	-	59,889	-	260,526
021204	CCS RETAIL SUPPORT	674,825	-	-	-	14,401	-	689,226
021205	RESIDENTIAL SERVICE CENTER	3,958,648	-	4,050	-	1,252	-	3,963,950
021220	BUSINESS OFFICES	202,440	-	-	-	2,382	1,372	206,195
021221	CIVIC AFFAIRS	148,854	-	-	-	82	-	148,716
021225	BUSINESS SERVICE CENTER	905,563	-	-	-	58	-	905,622
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	123,091	-	-	-	-	-	123,091
021251	COMPLAINTS AND INQUIRY	195,793	-	-	-	-	-	195,793
021280	MANAGER - METER READING	142,386	-	-	-	336	-	142,722
021315	MANAGER, FIELD SERVICE OPERATIONS	369,517	-	-	-	79	-	369,596
021320	MANAGER - METER ASSET MANAGEMENT - LKS	139,286	-	-	-	630	-	139,916
021325	DIRECTOR REVENUE COLLECTION	88,307	-	-	-	-	-	88,307
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	357,783	-	293	-	-	-	358,077

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Expenditure Org	Expenditure Org Description	Below the				Capitalized	Other B/S	Total
		Operating	Mechanism	Line	Other I/S			
021330	MANAGER REMITTANCE AND COLLECTION	475,770	-	-	-	2,715	7,290	485,775
021331	REVENUE ASSURANCE	192,711	-	-	-	-	2,280	194,991
021335	FEDERAL REGULATION & POLICY	96,571	-	-	-	-	-	96,571
021360	MANAGER BUSINESS SERVICES	1,146,579	-	136	-	95	-	1,146,810
021370	DIRECTOR, SAP UPGRADE PROJECT	1,744	-	-	-	-	-	1,744
021390	MANAGER MARKETING	221,982	-	-	-	13,808	-	235,590
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	107,562	-	7,992	-	-	2,867	118,420
021411	CS PROJECT SERVICES - LKS	159,238	29,141	241,265	-	194,169	(282,465)	341,347
021415	MANAGER, SMART GRID STRATEGY	107,386	-	-	-	-	-	107,386
021420	ENERGY EFFICIENCY OPERATIONS	-	270,372	-	-	32,642	0	303,014
021440	VP STATE REGULATION AND RATES	814,110	-	-	-	724	-	814,834
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	111,571	-	-	-	212	-	111,783
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	26,903	189,784	-	-	41,122	833	258,642
021900	PRESIDENT AND COO	300,345	-	-	-	-	-	300,345
021904	CHIEF OPERATING OFFICER	184,426	-	-	-	-	-	184,426
022025	GENERATION TURBINE GENERATOR SPECIALIST	381,588	-	-	-	13,567	-	395,156
022060	DIRECTOR - GENERATION SERVICES	115,135	-	-	-	306	-	115,441
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	357,766	-	-	-	-	-	357,766
022070	RESEARCH AND DEVELOPMENT	244,231	-	-	-	-	-	244,231
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	333,163	-	-	-	7,343	-	340,506
022110	MANAGER - GENERATION ENGINEERING	1,111,664	-	-	-	10,167	163	1,122,015
022200	VP - POWER GENERATION	597,741	-	-	-	65,298	-	663,039
022210	DIRECTOR, COMMERCIAL OPERATIONS	72,325	-	-	-	14,166	118,195	204,686
022220	LKS - CANE RUN COMMERCIAL OPS	11,177	-	-	-	-	28,384	39,561
022230	LKS - MILL CREEK COMMERCIAL OPS	23,003	-	-	-	-	36,193	59,195
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	1,560	-	-	-	-	1,767	3,327
022250	LKS - GHENT COMMERCIAL OPS	46,124	-	-	-	2,174	136,458	184,754
022260	LKS - EW BROWN COMMERCIAL OPS	35,825	-	-	-	1,579	120,446	157,850
022270	LKS - RIVERPORT COMMERCIAL OPS	35,687	-	-	-	-	65,461	101,148
022600	DIRECTOR - FUELS MANAGEMENT	223,893	-	-	-	8,411	-	232,304
022610	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	322,949	-	-	-	71	-	323,020
022970	GENERATION SYSTEM PLANNING	334,934	-	-	-	-	-	334,934
023000	VICE PRESIDENT - TRANSMISSION	147,339	-	-	-	-	-	147,339
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	49,847	-	-	-	-	80,143	129,990
023005	DIR TRANS STRATEGY & PLANNING	71,787	-	-	-	-	77,218	149,005
023010	DIRECTOR - TRANSMISSION	143,614	-	-	-	-	-	143,614
023020	TRANSMISSION SYSTEM OPERATIONS	2,145,509	-	-	-	2,264	1,227	2,149,000
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	454,973	-	-	-	23,095	-	478,068
023050	TRANSMISSION STRATEGY & PLANNING	308,517	-	-	-	2,135	595,669	906,321
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	127,017	-	-	-	14,656	241,491	383,164
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	372,704	-	-	-	323,942	677,507	1,374,153
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	490,860	-	-	-	602,985	315,718	1,409,563
023070	MANAGER - TRANSMISSION LINES	282,709	-	-	-	803,222	1,113,172	2,199,102
023076	TRANSMISSION PROJECT MANAGEMENT	1,189	-	-	-	17,354	253,914	272,458
023090	TRANSMISSION POLICY & TARIFFS	221,132	-	-	-	-	-	221,132
023110	TRANSFORMER SERVICES	18,500	-	-	-	31,568	-	50,069
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	19,145	-	-	-	320	56,598	76,062
023200	DIRECTOR LOG&E DISTRIBUTION OPS	51,028	-	-	-	64,335	62,019	177,383
023210	LKS - FORESTRY	87,058	-	-	-	-	-	87,058
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,306,723	-	-	-	200,761	821,684	2,329,167
023550	SUBSTATION ENGINEERING AND DESIGN	126,245	-	-	-	422,546	336,466	771,256
023551	DISTRIBUTION ASSETS & STANDARDS	10,414	-	-	-	31,149	259,804	301,367
023550	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	-	-	-	-	-	15,564	15,564
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	279,787	-	-	-	-	-	279,787
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	125,038	-	-	-	-	-	125,038
023815	SALES ANALYSIS & FORECASTING	313,709	-	-	-	-	-	313,709
024000	VP - GAS DISTRIBUTION	13,812	-	-	-	-	-	13,812
024475	GAS STORAGE, CONTROL AND COMPLIANCE	-	-	-	-	355	-	355
025000	SVP HUMAN RESOURCES	163,256	-	-	-	-	-	163,256
025200	DIR - HUMAN RESOURCES	245,373	-	-	-	-	-	245,373
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	204,648	-	-	-	2,446	-	207,095
025270	INDUSTRIAL RELATIONS & HRIS	161,640	-	-	-	-	-	161,640
025300	DIRECTOR HR - CORPORATE	172,403	-	-	-	-	-	172,403
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	123,317	-	-	-	255	24,575	148,146
025415	IT SOURCING AND CONTRACT MANAGEMENT	284,378	-	-	-	2,285	-	286,663
025420	CORPORATE PURCHASING	217,295	18,308	-	-	239	-	235,842
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	297,683	-	-	-	6,009	77,270	380,962
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	37,132	-	-	-	3,393	314,691	355,215
025460	MANAGER - SUPPLIER DIVERSITY	66,023	-	-	-	-	-	66,023
025470	SARBANES OXLEY	75,610	-	-	-	-	-	75,610
025500	DIRECTOR OPERATING SERVICES	119,564	-	-	-	-	-	119,564
025510	CONTRACT MANAGER - XEROX CORP.	93,596	-	-	-	-	-	93,596
025530	MANAGER TRANSPORTATION	-	-	-	-	-	144,458	144,458
025550	MANAGER OFFICE FACILITIES	231,772	-	-	-	34,913	-	266,685
025551	FACILITY OPERATIONS NORTH	84,462	-	-	-	3,735	-	88,227
025552	FACILITY OPERATIONS CENTRAL	46,388	-	-	-	-	-	46,388
025553	FACILITY OPERATIONS SOUTH	46,997	-	-	-	-	-	46,997
025555	FACILITY OPERATIONS - LEXINGTON	40,363	-	-	-	-	-	40,363
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	45,465	-	-	-	-	-	45,465
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	118,931	-	-	-	5,619	195,463	320,014
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	272,430	-	-	-	16,422	-	288,853
025593	PROJECT PLANNING AND MANAGEMENT	140,674	-	282	-	194,041	147	335,145
025594	CORPORATE FACILITY SERVICES	62,627	-	-	-	-	-	62,627
025620	MANAGER HEALTH AND SAFETY	143,539	-	-	-	-	-	143,539
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,324,853	-	-	-	210	-	1,325,063
025660	STAFFING SERVICES	326,695	-	-	-	-	-	326,695
025670	COMPENSATION/HR POLICY & COMPLIANCE	137,008	-	-	-	-	-	137,008
025680	MANAGER BENEFITS AND RECORDS	217,219	641	-	-	-	-	217,860
025700	DIRECTOR - HUMAN RESOURCES	288,130	-	-	-	-	-	288,130
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	344,212	-	-	-	624	-	344,836
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	324,653	-	-	-	3,148	31,892	359,693
025730	GAS SAFETY AND TECHNICAL TRAINING	-	-	-	-	564	-	564
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	137,073	-	8,738	-	-	-	145,811
025775	HRIS	133,694	-	-	-	22,320	-	156,015
025780	MANAGER DIVERSITY STRATEGY	49,628	-	-	-	-	-	49,628
026020	FINANCIAL PLANNING & BUDGETING	158,352	-	-	-	-	-	158,352
026030	GENERATION, PE, AND SAFETY BUDGETING	416,737	-	-	-	62,648	-	479,385
026045	DIRECTOR CORPORATE TAX	417,512	-	-	-	91	-	417,603
026050	CFO	195,463	-	7,267	-	-	-	202,730
026080	MANAGER REVENUE ACCOUNTING	351,819	-	-	-	7,871	-	359,690
026120	MANAGER PROPERTY ACCOUNTING	451,663	-	-	-	55	-	451,718
026130	CONTROLLER	131,009	-	-	-	-	-	131,009
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	101,717	-	-	-	-	-	101,717

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026140	MANAGER - FINANCIAL PLANNING	288,528	-	-	-	-	-	288,528
026145	SHARED SERVICES & CORPORATE BUDGETING	302,728	-	-	-	-	-	302,728
026150	FINANCIAL ACCOUNTING AND ANALYSIS	250,414	-	-	-	67	-	250,481
026155	FINANCIAL REPORTING	234,548	-	-	-	234	-	234,782
026160	REGULATORY ACCOUNTING AND REPORTING	264,155	-	2,372	-	-	-	266,527
026170	MANAGER - CUSTOMER ACCOUNTING	1,199,742	-	-	-	35,375	2,123	1,237,240
026175	TRANSMISSION, GAS, & ES BUDGETING	44,740	-	-	-	-	-	44,740
026190	CORPORATE ACCOUNTING	349,727	-	-	-	166	-	349,923
026200	SUPPLY CHAIN SUPPORT	333,149	-	-	-	512	24,310	357,971
026310	MANAGER PAYROLL	183,184	-	-	-	3,648	-	186,832
026330	TREASURER	157,326	-	-	-	-	-	157,326
026350	RISK MANAGEMENT	132,404	-	907	-	-	-	133,311
026370	CORPORATE FINANCE	207,245	-	-	-	-	-	207,245
026390	CREDIT/CONTRACT ADMINISTRATION	219,619	-	-	-	-	-	219,619
026400	AUDIT SERVICES	517,982	-	713	-	752	-	519,447
026490	CHIEF INFORMATION OFFICER	173,449	-	-	-	-	-	173,449
026492	SER IT CHARGES	22	-	-	-	3,424	-	3,446
026500	IT INFRASTRUCTURE AND OPERATIONS	320,466	-	-	-	19,625	-	340,092
026525	TRANSPORT ENGINEERING	355,502	-	-	-	194,381	899	550,782
026530	DATA NETWORKING	310,799	-	-	-	141,974	-	452,773
026535	WORKSTATION ENGINEERING	157,224	-	-	-	124,973	-	282,197
026536	IT CIP INFRASTRUCTURE	364,752	-	-	-	59,190	-	423,942
026537	DATA CENTER OPERATIONS	739,978	-	-	-	133,621	-	873,599
026538	GLOBAL NOC	151,124	-	-	-	9,035	-	160,159
026545	UNIFIED COMMUNICATIONS AND COLLABORATION	295,937	-	-	-	62,219	-	358,156
026546	INFRASTRUCTURE SERVICES	736,040	-	-	-	69,314	-	805,353
026580	CLIENT SUPPORT SERVICES	176,202	-	-	-	27,942	-	204,144
026739	ENTERPRISE SECURITY	1,329	-	-	-	-	-	1,329
026740	IT SECURITY AND RISK MANAGEMENT	120,817	-	-	-	-	-	120,817
026742	IT SECURITY	429,884	-	-	-	43,334	-	473,218
026744	IT SECURITY RISK MANAGEMENT	221,543	-	-	-	54,158	-	275,702
026760	IT TRAINING	129,818	-	-	-	-	-	129,818
026772	TECHNOLOGY SUPPORT CENTER	427,045	-	-	-	841	-	427,887
026774	DESKTOP OPERATIONS	278,973	-	-	-	122,250	-	401,224
026850	VP EXTERNAL AFFAIRS	-	-	206,064	-	-	-	206,064
026900	LEGAL DEPARTMENT - LKS	1,037,481	-	1,244	-	113,199	-	1,151,924
026905	COMPLIANCE DEPT	370,594	-	-	-	-	-	370,594
026910	GENERAL COUNSEL - LKS	210,232	-	-	-	-	-	210,232
026920	DIRECTOR - CORPORATE COMMUNICATION	220,254	-	-	-	-	-	220,254
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	234,695	-	-	-	-	-	234,695
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	670,500	-	-	-	3,021	-	673,522
027600	IT BUSINESS SERVICES	144,788	-	-	-	18,117	-	162,905
027610	IT PROJECT MANAGEMENT OFFICE	311,991	-	-	-	430,291	3,558	745,839
027820	IT BUSINESS ANALYSIS	366,345	-	-	-	290,557	-	656,902
027630	IT QUALITY ASSURANCE	87,870	-	-	-	45,103	-	132,973
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	224,205	-	-	-	3,102	-	227,307
027650	IT SERVICE MANAGEMENT	18,511	-	-	-	-	-	18,511
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	49,140	-	-	-	32,903	7,570	89,614
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	335,999	-	-	-	131,370	-	467,370
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	671,485	65	-	-	458,915	18,251	1,148,716
027830	IT CUSTOMER RELATIONSHIP AND BILLING	866	-	-	-	(866)	-	-
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	499,911	-	-	-	324,319	-	824,230
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	327,239	-	-	-	150,339	-	477,578
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	418,270	-	-	-	126,906	-	545,176
027870	IT DEVELOPMENT AND SUPPORT	138,666	-	-	-	42,301	-	180,967
029640	SVP ENERGY SUPPLY AND ANALYSIS	174,146	-	-	-	18,928	-	193,075
029660	DIRECTOR - POWER SUPPLY	1,473,568	-	-	-	1,330	-	1,474,898
029750	PROJECT ENGINEERING	40,191	-	-	-	2,421,988	-	2,462,179
029760	GENERATION SAFETY	142,480	-	-	-	145	-	142,625
	<b>Total Labor</b>	<b>105,802,107</b>	<b>1,611,191</b>	<b>485,553</b>	<b>-</b>	<b>31,332,985</b>	<b>16,688,403</b>	<b>155,920,239</b>
	<b>Total Off-Duty</b>	<b>16,985,082</b>	<b>253,049</b>	<b>41,404</b>	<b>-</b>	<b>5,049,650</b>	<b>2,740,413</b>	<b>25,069,598</b>
	<b>Total Employee Benefits</b>	<b>41,771,256</b>	<b>322,164</b>	<b>106,136</b>	<b>597,014</b>	<b>10,781,418</b>	<b>7,343,145</b>	<b>60,921,132</b>
	<b>Total Payroll Taxes</b>	<b>9,949,167</b>	<b>47,342</b>	<b>24,204</b>	<b>-</b>	<b>2,888,619</b>	<b>1,580,997</b>	<b>14,490,319</b>
	<b>Total 2018 Payroll Costs</b>	<b>174,507,601</b>	<b>2,233,746</b>	<b>657,298</b>	<b>597,014</b>	<b>50,052,672</b>	<b>28,352,957</b>	<b>256,401,288</b>

2019 Payroll Costs

000020	LG&E AND KU SERVICES COMPANY CORPORATE	(0)	-	-	-	-	-	(0)
001075	TECH. AND SAFETY TRAINING DIST - LGE	44,061	-	-	-	-	-	44,061
001220	BUSINESS OFFICES - LGE	725	-	-	-	-	-	725
001295	FIELD SERVICE - LGE	23	-	-	-	-	-	23
001345	METER SHOP LGE	1,620	-	-	-	1,276	-	2,896
002041	LGE - CANE RUN 7 ALLOCATIONS	3,826,295	-	-	-	-	-	3,826,295
002042	LGE - PADDYS RUN 13 ALLOCATIONS	191,797	-	-	-	-	-	191,797
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	548,799	-	-	-	-	-	548,799
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	7,720,665	109,991	-	-	-	-	7,830,656
002060	CENT ENGR/CONST MGMT	1,040	-	-	-	-	-	1,040
002120	OHIO FALLS	-	-	-	-	215	-	215
002130	CANE RUN CCGT - LGE	-	-	-	-	9,536	-	9,536
002140	OTH PROD OPR/MTCE	-	-	-	-	4,977	-	4,977
002330	MC ENGINEERING AND TECHNICAL SERVICES	9,540	-	-	-	-	465	10,005
002401	GEN. MGR. MILL CREEK STATION	2,502	-	-	-	-	-	2,502
002603	FINC & BUDGTNG-POWER PROD LG&E	5,965	-	-	-	-	-	5,965
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	62,608	-	62,608
002710	TC-LABORATORY	-	-	-	-	43,554	-	43,554
002720	TC OPERATIONS	-	-	-	-	121,328	-	121,328
002730	TC OPER-A WATCH	-	-	-	-	199	-	199
002750	TC OPER-C WATCH	-	-	-	-	286	-	286
002760	TC OPER-D WATCH	-	-	-	-	11,894	-	11,894
002770	TC-MAINTENANCE SVCS	1,814	-	-	-	59,599	-	61,413
002780	TC-MAINTENANCE IE	270	-	-	-	139,760	-	140,030
002790	TC-MTCE MECHANICAL	-	-	-	-	100,270	-	100,270
003030	SUBSTATION OPS.	1,861	-	-	-	2,331	-	4,191
003110	TRANSFORMERS SERVICES	23,734	-	-	-	48,357	-	72,091
003160	SC M LOUISVILLE	217	-	-	-	5,707	773	6,598
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	(9,923)	-	(9,923)
003300	ELECTRIC CONSTRUCTION CREWS-ESC	-	-	-	-	1,497	-	1,497
003400	ELECTRIC CONSTRUCTION CREWS-AOC	202	-	-	-	3,425	-	3,626
003430	NETWORK OPS. 3PH COMMERCIAL	-	-	1,071	-	604	-	1,676
003440	UNDERGROUND CONSTRUCTION	-	-	251	-	191	-	442
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	-	-	340	531	871
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	3,521	-	-	-	9,249	1,005	13,776

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Expenditure	Expenditure Org Description	Operating	Mechanism	Below the Line	Other US	Capitalized	Other BS	Total
004040	DISTRIBUTION DESIGN	-	-	1,853	-	4,767	-	6,620
004050	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	100,952	-	100,952
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	275	-	275
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	321	-	-	-	1,594	-	1,915
004270	GAS DISPATCH	-	-	-	-	100	-	100
004290	METER SHOP	4,059	3,238	-	-	1,050	-	8,345
004370	ASSET INFORMATION LGE	552	-	-	-	6,201	1,541	8,295
004380	GAS-ENGINEERS	-	-	-	-	12,170	-	12,170
004385	TRANSMISSION INTEGRITY & COMPLIANCE	-	-	-	-	2,738	-	2,738
004450	CORROSION CONTROL	-	-	-	-	78,710	-	78,710
004470	MULDRAUGH STORAGE	270	-	-	-	1,780	-	2,050
004475	DIR. GAS CONTROL AND STORAGE - LGE	-	-	-	-	835	-	835
004500	INSTR., MEASUREMENT	-	-	-	-	3,807	-	3,807
004510	SYSTEM REGULATION OPERATION	-	-	-	-	534	-	534
004600	GAS REGULATORY SERVICES	-	-	-	-	2,688	-	2,688
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	-	-	-	-	9,071	-	9,071
005310	FACILITIES MTC	351	-	-	-	206	-	557
006630	LGE - TELECOMMUNICATIONS	322,773	-	302	-	137,303	430	460,807
008826	LGE FUELS CHARGES	802	-	-	-	-	-	802
008910	LGE IT CHARGES	(824)	-	-	-	(25,726)	-	(26,350)
010603	FINC & BUDGTNG-POWER PROD KU	151,538	-	-	-	-	-	151,538
011018	VEGETATION MANAGEMENT - KU	343,931	-	-	-	608	-	344,537
011061	AREA 1	224,378	-	-	-	-	-	224,378
011062	AREA 2	319,286	-	-	-	-	-	319,286
011063	AREA 3	253,635	-	-	-	-	-	253,635
011064	AREA 4	325,966	-	-	-	-	-	325,966
011065	AREA 5	394,696	-	-	-	-	-	394,696
011068	AREA 6	429,939	-	-	-	-	-	429,939
011067	AREA 7	214,963	-	-	-	-	-	214,963
011068	AREA 8	196,637	-	-	-	-	-	196,637
011069	AREA 9	596,034	-	-	-	-	-	596,034
011070	AREA 10	273,729	-	-	-	-	-	273,729
011071	AREA 11	197,944	-	-	-	-	-	197,944
011072	AREA 12	491,603	-	-	-	-	-	491,603
011090	SC AND M EARLINGTON	486,825	-	-	-	191,653	131,871	810,349
011370	FIELD SERVICES - KU	2,510,790	-	760	-	41,794	-	2,553,344
011560	EARLINGTON OPERATIONS CENTER	1,275,893	-	-	-	2,508,281	396,027	4,180,191
012050	SC AND M DANVILLE	609,209	-	-	-	516,063	81,056	1,206,328
012160	DANVILLE OPERATIONS CENTER	583,138	1,356	534	-	1,414,320	87,319	2,086,867
012360	RICHMOND OPERATIONS CENTER	418,561	-	-	-	1,454,741	2,338	1,875,840
012460	ELIZABETHTOWN OPERATIONS CENTER	368,350	-	-	-	1,263,776	126,277	1,748,403
012560	SHELBYVILLE OPERATIONS CENTER	567,104	-	-	-	1,386,228	-	1,953,331
013040	SC AND M LEXINGTON	900,349	-	-	-	546,550	86,933	1,533,832
013150	LEXINGTON OPERATIONS CENTER	1,842,216	-	-	-	5,876,201	134,867	7,653,284
013180	METER READING - KU	369,464	-	-	-	-	-	369,464
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	260,566	-	-	-	458,732	32,732	752,029
013660	MAYSVILLE OPERATIONS CENTER	752,487	-	-	-	1,447,901	131,932	2,332,321
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	81,430	-	-	-	18,877	-	100,307
014160	PINEVILLE OPERATIONS CENTER	856,473	-	649	-	756,585	329,969	1,943,678
014260	LONDON OPERATIONS CENTER	524,389	-	649	-	1,131,744	230,234	1,887,018
014370	ASSET INFORMATION - KU	133,890	-	-	-	4,318	529,467	667,675
014940	SC AND M PINEVILLE	514,307	-	2,586	-	256,570	50,544	824,008
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	1,152	168,929	170,081
015326	EARLINGTON MATERIAL LOGISTICS	134	-	-	-	130	158,440	158,704
015590	CORPORATE ITEMS	(3,234,270)	-	(898)	-	-	3,234,270	(898)
015595	TC IMEAMPA PARTNER ALLOCATION	(2,411,636)	(27,498)	-	-	-	2,359,554	(79,580)
015820	KU METER SHOP	911,465	-	-	-	262,464	-	1,173,929
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	-	-	-	-	(806)	-	(806)
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	3,896	-	-	-	4,972	-	8,868
015868	TRANSMISSION SUBSTATION CONSTRUCTION - EARLINGTON	(8,081)	-	-	-	-	-	(8,081)
015870	TRANSMISSION LINES	(84)	-	-	-	(7,947)	-	(8,031)
015870	KU - TELECOMMUNICATIONS	403,616	-	-	-	336,279	2,341	742,238
016220	E W BROWN - SUPT AND ADMIN	400,897	-	-	-	-	-	400,897
016230	EWB OPER / RESULTS	3,245,472	514,965	-	-	227,275	-	3,987,713
016250	EWB EQUIP MNTC	1,367,628	47,529	-	-	94,170	-	1,509,327
016260	EWB E AND I MNTC	1,503,191	82,835	-	-	171,469	-	1,757,495
016270	EWB COAL HANDLING	334,829	-	-	-	-	-	334,829
016300	EWB COMBUSTION TURBINE	1,181,634	-	-	-	50,823	-	1,232,257
016330	BR ENGINEERING AND TECHNICAL SERVICES	295,364	-	-	-	-	-	295,364
016340	EWB LABORATORY	250,842	-	-	-	-	-	250,842
016360	EWB MAINTENANCE	590,422	-	-	-	-	-	590,422
016370	EWB COMMERCIAL OPERATIONS	65,659	-	-	-	-	207,936	273,595
016380	SOLAR SHARE PROGRAM	(1,094)	-	-	-	-	-	(1,094)
016390	BROWN SOLAR	(123)	-	-	-	-	-	(123)
016520	GHENT - SUPERINTENDENT	667,085	879	-	-	113,934	-	981,907
016530	GHENT - PLANNING	698,415	-	-	-	3,012	-	701,428
016540	GH ENGINEERING AND TECHNICAL SERVICES	901,333	1,573	-	-	201,575	-	1,104,481
016550	GHENT - MECHANICAL MNTC	2,178,818	34,869	-	-	135,926	-	2,349,614
016560	GHENT - ELECTRICAL MNTC	1,206,510	131,480	-	-	327,284	-	1,665,254
016570	GHENT - COAL YARD	586,595	-	-	-	3,805	-	570,370
016580	GHENT - INSTRUMENT MNTC	1,438,285	109,519	-	-	156,480	-	1,704,284
016600	GHENT - ASST SUPT OPER	333,871	121,458	-	-	3,144	-	458,473
016620	GHENT - SCRUBBER MAINT	594,908	50,566	-	-	119,209	-	764,682
016630	GHENT - COMMERCIAL	40,285	-	-	-	144	410,806	451,335
016640	GHENT - STATION LAB	584,405	-	-	-	30,929	-	615,334
016650	GHENT - OPERATIONS SHIFTS	7,272,720	-	-	-	197,189	-	7,469,909
016660	GHENT-ASST SUPT MNTC	765,074	6,082	-	-	54,146	-	825,284
016670	GHENT - OUTSIDE MNTC	336,003	325	-	-	5,059	-	341,387
016680	GHENT - COAL COMBUSTION RESIDUALS	150,882	255,511	-	-	5,016	-	411,209
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(259,713)	-	-	-	-	-	(259,713)
016910	EWB DIX AND LOCK 7 HYDRO	362,411	74,460	-	-	19,397	-	456,269
017660	NORTON OPERATIONS CENTER	757,315	-	-	-	842,769	291,610	1,891,695
018826	KU FUELS CHARGES	428	-	-	-	-	-	428
018890	KU OPERATING SERVICES CHARGES	230	-	-	-	(230)	-	-
018910	KU IT CHARGES	13,390	-	-	-	(13,390)	-	-
020899	I/C INCL LKS-PPL SERV ISD - INFORMATION TECHNOLOGY	(1,890)	-	-	-	-	-	(1,890)
021000	CHAIRMAN AND CEO	57,446	-	-	-	-	-	57,446
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	93,489	-	-	-	41,157	138,333	272,989
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	95,056	-	-	-	2,988	108,990	208,044
021020	DIRECTOR KU OPERATIONS	28,294	-	-	-	107	169,559	197,960
021035	VP CUSTOMER SERVICES - SERVCO	148,012	-	-	-	-	-	148,012
021055	VP ELECTRIC DISTRIBUTION - LKS	163,286	-	-	-	-	-	163,286
021070	DIRECTOR - ASSET MANAGEMENT	12,009	-	-	-	-	84,156	96,165

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other BS	Total
021071	SYSTEM ANALYSIS AND PLANNING - DIST	188,640	-	-	-	-	217,649	405,289
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	46,264	-	-	-	-	44,669	90,933
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	54,584	-	-	-	-	73,086	127,670
021075	ELECTRIC CODES AND STANDARDS	109,709	-	-	-	7,880	161,227	278,816
021076	ASSET INFORMATION-LKS	12,304	-	-	-	41,138	46,376	99,818
021078	PROTECTION & CONTROL ENGINEERING	42,795	-	-	-	-	83,886	126,681
021080	DISTRIBUTION SYSTEM ADMINISTRATION	158,834	-	-	-	89,188	-	249,022
021204	CCS RETAIL SUPPORT	720,075	1,485	-	-	12,768	-	734,328
021205	RESIDENTIAL SERVICE CENTER	3,971,332	-	-	-	2,824	-	3,974,156
021220	BUSINESS OFFICES	156,691	-	-	-	-	-	156,691
021221	CIVIC AFFAIRS	194,801	-	-	-	-	-	194,801
021225	BUSINESS SERVICE CENTER	960,356	-	-	-	1,541	-	961,897
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	124,698	-	-	-	-	-	124,698
021251	COMPLAINTS AND INQUIRY	202,539	-	-	-	-	-	202,539
021280	MANAGER - METER READING	181,670	-	-	-	-	-	181,670
021315	MANAGER, FIELD SERVICE OPERATIONS	339,721	-	2,476	-	-	-	342,197
021320	MANAGER - METER ASSET MANAGEMENT - LKS	158,013	-	-	-	-	-	158,013
021325	DIRECTOR REVENUE COLLECTION	89,277	-	-	-	-	-	89,277
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	351,516	-	284	-	-	-	351,801
021330	MANAGER REMITTANCE AND COLLECTION	493,292	-	-	-	13,942	-	506,934
021331	REVENUE ASSURANCE	196,642	-	-	-	6,306	-	202,948
021335	FEDERAL REGULATION & POLICY	123,479	-	-	-	-	-	123,479
021360	MANAGER BUSINESS SERVICES	1,103,585	-	-	-	-	1,091	1,104,676
021390	MANAGER MARKETING	170,591	-	-	-	-	-	170,591
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	113,723	255	-	-	-	-	113,978
021411	CS PROJECT SERVICES - LKS	126,800	78,769	292,036	-	21,811	(292,036)	227,180
021415	MANAGER, SMART GRID STRATEGY	84,172	23,273	-	-	-	-	107,445
021420	ENERGY EFFICIENCY OPERATIONS	51,677	99,946	-	-	-	-	151,625
021440	VP STATE REGULATION AND RATES	830,568	-	-	-	-	-	830,568
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	116,655	-	-	-	-	-	116,655
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	46,957	119,531	-	-	962	-	167,450
021900	PRESIDENT AND COO	285,988	-	-	-	-	-	285,988
021904	CHIEF OPERATING OFFICER	210,253	-	-	-	-	-	210,253
022025	GENERATION TURBINE GENERATOR SPECIALIST	239,957	-	-	-	11,425	-	251,382
022060	DIRECTOR - GENERATION SERVICES	115,228	-	-	-	-	-	115,228
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	371,714	-	-	-	-	-	371,714
022070	RESEARCH AND DEVELOPMENT	251,054	-	-	-	-	-	251,054
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	318,565	-	-	-	-	-	318,565
022110	MANAGER - GENERATION ENGINEERING	1,122,629	-	-	-	3,085	-	1,125,714
022200	VP - POWER GENERATION	366,490	-	-	-	23,466	-	389,956
022210	DIRECTOR, COMMERCIAL OPERATIONS	80,711	-	-	-	15,887	131,857	228,456
022220	LKS - CANE RUN COMMERCIAL OPS	242	-	-	-	-	725	967
022230	LKS - MILL CREEK COMMERCIAL OPS	11,948	-	-	-	1,068	29,069	42,085
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	570	-	-	-	-	1,248	1,818
022250	LKS - GHENT COMMERCIAL OPS	30,829	-	-	-	808	157,563	188,998
022260	LKS - EW BROWN COMMERCIAL OPS	31,143	-	-	-	-	123,018	154,161
022270	LKS - RIVERPORT COMMERCIAL OPS	53,876	-	-	-	-	52,976	106,852
022800	DIRECTOR - FUELS MANAGEMENT	224,139	-	-	-	-	-	224,139
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	355,161	-	-	-	-	-	355,161
022970	GENERATION SYSTEM PLANNING	290,018	-	-	-	-	-	290,018
023000	VICE PRESIDENT - TRANSMISSION	167,815	-	-	-	-	-	167,815
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	50,257	-	-	-	-	66,500	116,757
023005	DIR TRANS STRATEGY & PLANNING	83,366	-	-	-	-	75,762	159,129
023010	DIRECTOR - TRANSMISSION	150,728	-	-	-	-	-	150,728
023020	TRANSMISSION SYSTEM OPERATIONS	2,187,643	-	-	-	4,099	3,534	2,195,276
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	483,602	-	-	-	41,381	-	524,983
023050	TRANSMISSION STRATEGY & PLANNING	321,366	-	-	-	-	555,207	877,555
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	111,840	-	-	-	59,569	233,998	405,408
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	325,628	-	-	-	213,695	876,659	1,215,983
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	648,410	-	-	-	600,006	425,332	1,673,748
023070	MANAGER - TRANSMISSION LINES	259,001	-	-	-	838,264	1,120,882	2,218,148
023076	TRANSMISSION PROJECT MANAGEMENT	6,063	-	-	-	57,334	273,152	336,548
023090	TRANSMISSION POLICY & TARIFFS	209,335	-	-	-	-	-	209,335
023110	TRANSFORMER SERVICES	1,591	-	-	-	2,283	-	3,874
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	20,103	-	-	-	-	59,905	80,008
023200	D1 DIRECTOR LG&E DISTRIBUTION OPS	42,381	-	-	-	69,247	97,941	209,569
023210	LKS - FORESTRY	94,351	-	-	-	-	-	94,351
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,326,799	-	-	-	176,182	760,355	2,263,336
023550	SUBSTATION ENGINEERING AND DESIGN	12,663	-	-	-	449,070	309,371	771,103
023551	DISTRIBUTION ASSETS & STANDARDS	13,121	-	-	-	9,607	235,636	258,365
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	12,689	-	-	-	-	16,980	29,669
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	258,704	-	-	-	-	-	258,704
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	125,691	-	-	-	-	-	125,691
023815	SALES ANALYSIS & FORECASTING	230,852	-	-	-	-	-	230,852
025000	SVP HUMAN RESOURCES	163,629	-	-	-	-	-	163,629
025200	DIR - HUMAN RESOURCES	387,486	-	-	-	-	-	397,488
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	194,106	-	-	-	1,203	-	195,309
025270	INDUSTRIAL RELATIONS & HRIS	20,205	-	-	-	-	-	20,205
025300	DIRECTOR HR - CORPORATE	176,177	-	-	-	-	-	176,177
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	175,603	-	-	-	-	23,978	199,581
025415	IT SOURCING AND CONTRACT MANAGEMENT	294,131	-	-	-	-	-	284,131
025420	CORPORATE PURCHASING	234,380	4,638	-	-	-	-	239,027
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	311,084	-	-	-	2,970	91,487	405,521
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	23,118	-	-	-	-	361,371	384,489
025460	MANAGER - SUPPLIER DIVERSITY	66,716	-	-	-	-	-	66,716
025470	SARBANES OXLEY	91,219	-	-	-	-	-	91,219
025500	DIRECTOR OPERATING SERVICES	126,366	-	-	-	-	-	126,366
025510	CONTRACT MANAGER - XEROX CORP.	116,748	-	-	-	73,614	-	190,362
025530	MANAGER TRANSPORTATION	-	-	-	-	-	151,325	151,325
025550	MANAGER OFFICE FACILITIES	217,048	-	-	-	27,128	-	244,176
025551	FACILITY OPERATIONS NORTH	89,629	-	-	-	386	-	90,015
025552	FACILITY OPERATIONS CENTRAL	55,189	-	-	-	-	-	55,189
025553	FACILITY OPERATIONS SOUTH	77,452	-	-	-	-	-	77,452
025555	FACILITY OPERATIONS - LEXINGTON	66,238	-	-	-	-	-	66,238
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	38,634	-	-	-	592	-	39,226
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	100,389	-	-	-	10,422	228,881	339,692
025580	CORPORATE SECURITY / BUSINESS CONTINUITY	273,978	-	-	-	7,116	-	281,094
025593	PROJECT PLANNING AND MANAGEMENT	70,830	-	25	-	228,734	632	300,221
025694	CORPORATE FACILITY SERVICES	60,312	-	-	-	197	-	60,509
025620	MANAGER HEALTH AND SAFETY	245,511	-	-	-	-	-	245,511
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,352,035	-	-	-	6,497	-	1,358,533
025680	STAFFING SERVICES	363,275	-	-	-	3,529	-	366,804
025670	COMPENSATION/HR POLICY & COMPLIANCE	119,922	-	-	-	325	-	120,247

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Expenditure Org	Expenditure Org Description	Below the				Capitalized	Other B/S	Total
		Operating	Mechanism	Line	Other US			
025680	MANAGER BENEFITS AND RECORDS	226,649	-	-	-	4,903	-	231,553
025700	DIRECTOR - HUMAN RESOURCES	161,911	-	-	-	-	-	161,911
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	379,863	-	-	-	-	-	379,863
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	346,397	-	-	-	1,791	692	348,890
025730	GAS SAFETY AND TECHNICAL TRAINING	316	-	-	-	913	-	1,228
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	134,806	-	2,979	-	-	-	137,785
025775	HRIS	155,723	-	-	-	20,652	-	176,375
025780	MANAGER DIVERSITY STRATEGY	67,748	-	3,854	-	-	-	71,601
026020	FINANCIAL PLANNING & BUDGETING	198,180	-	-	-	33,911	-	232,091
026030	GENERATION, PE, AND SAFETY BUDGETING	166,059	-	-	-	97,875	-	263,934
026045	DIRECTOR CORPORATE TAX	420,773	-	-	-	8,368	-	429,141
026050	CFO	192,709	-	9,882	-	-	-	202,591
026080	MANAGER REVENUE ACCOUNTING	424,717	-	-	-	-	-	424,717
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	167,931	-	-	-	16,389	-	184,320
026120	MANAGER PROPERTY ACCOUNTING	416,800	-	-	-	10,131	-	426,731
026130	CONTROLLER	131,768	-	-	-	-	-	131,768
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	98,278	-	-	-	-	-	98,278
026140	MANAGER - FINANCIAL PLANNING	286,656	-	-	-	14,487	-	303,123
026145	SHARED SERVICES & CORPORATE BUDGETING	293,475	-	-	-	18,150	-	311,625
026150	FINANCIAL ACCOUNTING AND ANALYSIS	28,880	-	-	-	-	-	28,880
026155	FINANCIAL REPORTING	265,577	-	-	-	-	-	265,577
026160	REGULATORY ACCOUNTING AND REPORTING	280,750	-	380	-	11,931	-	293,062
026170	MANAGER - CUSTOMER ACCOUNTING	1,288,922	925	-	-	22,674	-	1,312,520
026175	TRANSMISSION, GAS, & ES BUDGETING	262,464	-	-	-	-	-	262,464
026190	CORPORATE ACCOUNTING	332,141	-	-	-	326	-	332,467
026200	SUPPLY CHAIN SUPPORT	307,925	-	-	-	2,067	34,172	344,165
026310	MANAGER PAYROLL	175,328	-	-	-	14,487	-	189,794
026330	TREASURER	152,658	-	-	-	-	-	152,658
026350	RISK MANAGEMENT	240,890	-	(258)	-	-	-	240,634
026370	CORPORATE FINANCE	218,667	-	-	-	-	-	218,667
026390	CREDIT/CONTRACT ADMINISTRATION	202,813	-	-	-	-	-	202,813
026400	AUDIT SERVICES	491,006	-	115	-	352	-	491,473
026490	CHIEF INFORMATION OFFICER	172,112	-	-	-	-	-	172,112
026498	IT SOURCE PROJECT CLEARING	-	-	-	-	-	(911)	(911)
026600	IT INFRASTRUCTURE AND OPERATIONS	337,561	-	-	-	20,073	-	357,635
026625	TRANSPORT ENGINEERING	361,358	-	-	-	167,942	2,467	531,768
026630	DATA NETWORKING	444,735	-	-	-	77,043	401	522,178
026635	WORKSTATION ENGINEERING	221,282	-	-	-	140,114	-	361,376
026636	IT CIP INFRASTRUCTURE	365,056	-	-	-	81,657	-	446,713
026637	DATA CENTER OPERATIONS	737,872	-	-	-	125,917	122	863,910
026638	GLOBAL NOC	177,778	-	-	-	23,821	-	201,599
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	362,740	1,911	-	-	102,168	-	466,818
026846	INFRASTRUCTURE SERVICES	765,992	-	-	-	65,108	-	831,100
026880	CLIENT SUPPORT SERVICES	111,218	-	-	-	3,330	-	114,548
026740	IT SECURITY AND RISK MANAGEMENT	149,897	-	-	-	-	-	149,897
026742	IT SECURITY	514,894	-	-	-	14,005	-	528,899
026744	IT SECURITY RISK MANAGEMENT	252,238	-	-	-	48,849	-	301,087
026760	IT TRAINING	130,480	-	-	-	-	-	130,480
026772	TECHNOLOGY SUPPORT CENTER	421,330	-	-	-	315	-	421,645
026774	DESKTOP OPERATIONS	350,993	-	(5)	-	114,093	98	465,179
026850	VP EXTERNAL AFFAIRS	666	-	219,186	-	-	951	220,803
026900	LEGAL DEPARTMENT - LKS	1,116,684	-	2,237	-	35,827	-	1,154,747
026905	COMPLIANCE DEPT	383,454	-	-	-	-	-	383,454
026910	GENERAL COUNSEL - LKS	210,591	-	-	-	-	-	210,591
026920	DIRECTOR - CORPORATE COMMUNICATION	212,919	-	-	-	-	-	212,919
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	260,781	-	-	-	-	-	260,781
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	742,168	-	-	-	4,763	-	746,932
027600	IT BUSINESS SERVICES	117,241	-	-	-	-	-	117,241
027610	IT PROJECT MANAGEMENT OFFICE	427,252	8,411	-	-	339,026	-	774,889
027620	IT BUSINESS ANALYSIS	370,596	-	-	-	261,895	-	632,491
027630	IT QUALITY ASSURANCE	113,120	-	-	-	48,305	-	161,425
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	316,599	-	-	-	(17,502)	-	298,796
027660	IT SERVICE MANAGEMENT	115,928	-	-	-	900	-	116,828
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	50,106	4,016	-	-	7,801	-	61,923
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	381,256	-	-	-	140,839	-	522,095
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	780,043	3,987	-	-	214,959	-	998,999
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	525,015	-	-	-	322,932	-	847,947
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	381,554	-	-	-	79,675	-	461,229
027880	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	356,411	-	-	-	130,726	-	487,137
027870	IT DEVELOPMENT AND SUPPORT	168,538	-	-	-	138,802	-	307,340
029640	SWP ENERGY SUPPLY AND ANALYSIS	161,111	-	-	-	23,674	-	184,785
029660	DIRECTOR - POWER SUPPLY	1,296,316	-	-	-	-	-	1,296,316
029750	PROJECT ENGINEERING	67,273	-	-	-	2,446,173	-	2,513,445
029760	GENERATION SAFETY	139,882	-	-	-	-	-	139,882
<b>Total Labor</b>		<b>105,907,163</b>	<b>1,866,273</b>	<b>540,952</b>	<b>-</b>	<b>32,202,520</b>	<b>16,330,550</b>	<b>156,847,457</b>
<b>Total Off-Duty</b>		<b>17,185,825</b>	<b>344,179</b>	<b>43,204</b>	<b>-</b>	<b>5,291,541</b>	<b>2,773,892</b>	<b>25,608,441</b>
<b>Total Employee Benefits</b>		<b>38,740,029</b>	<b>294,771</b>	<b>99,622</b>	<b>131,461</b>	<b>10,575,567</b>	<b>6,588,410</b>	<b>56,428,860</b>
<b>Total Payroll Taxes</b>		<b>9,973,196</b>	<b>32,530</b>	<b>23,332</b>	<b>-</b>	<b>2,960,607</b>	<b>1,530,173</b>	<b>14,539,838</b>
<b>Total 2019 Payroll Costs</b>		<b>171,776,212</b>	<b>2,537,753</b>	<b>707,111</b>	<b>131,461</b>	<b>51,050,236</b>	<b>27,222,825</b>	<b>253,425,596</b>

Base Year Payroll Costs

000020	LG&E AND KU SERVICES COMPANY CORPORATE	(24,697)	-	-	-	(7,313)	-	(32,010)
001075	TECH. AND SAFETY TRAINING DIST - LGE	33,764	-	-	-	-	-	33,764
001220	BUSINESS OFFICES - LGE	50	-	-	-	-	-	50
001345	METER SHOP LGE	-	-	-	-	983	-	983
002041	LGE - CANE RUN 7 ALLOCATIONS	4,052,280	-	-	-	-	-	4,052,280
002042	LGE - PADDYS RUN 13 ALLOCATIONS	163,884	-	-	-	-	-	163,884
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	507,705	-	-	-	-	-	507,705
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	8,614,060	155,496	-	-	-	-	8,769,556
002130	CANE RUN CCGT - LGE	-	-	-	-	31,756	-	31,756
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	23,577	-	23,577
002720	TC OPERATIONS	-	-	-	-	34,104	-	34,104
002750	TC OPER-C WATCH	-	-	-	-	10,889	-	10,889
002760	TC OPER-D WATCH	-	-	-	-	6,659	-	6,659
002770	TC-MAINTENANCE SVCS	-	-	-	-	20,130	-	20,130
002780	TC-MAINTENANCE I/E	-	-	-	-	35,540	-	35,540
002790	TC-MTCE MECHANICAL	-	-	-	-	5,408	-	5,408
003030	SUBSTATION OPS.	248	-	-	-	520	-	768
003110	TRANSFORMERS SERVICES	24,749	-	-	-	(10,627)	-	14,122
003160	SC M LOUISVILLE	64	-	-	-	224	198	487
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	136	-	136

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other E/S	Total
003300	ELECTRIC CONSTRUCTION CREWS-ESC	-	-	-	-	740	-	740
003400	ELECTRIC CONSTRUCTION CREWS-AOC	-	-	-	-	814	-	814
003440	UNDERGROUND CONSTRUCTION	-	-	-	-	-	756	756
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	-	-	629	-	629
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	-	-	-	-	(0)	-	(0)
004040	DISTRIBUTION DESIGN	3,273	-	-	-	1,135	-	4,408
004060	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	2,862	-	2,862
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	465	-	-	-	2,318	-	2,782
004270	GAS DISPATCH	432	-	-	-	-	-	432
004290	METER SHOP	-	-	-	-	52	-	52
004370	ASSET INFORMATION LGE	4,999	-	-	-	3,788	-	8,787
004380	GAS-ENGINEERS	594	-	-	-	1	-	595
004450	CORROSION CONTROL	1,374	-	-	-	2,120	-	3,493
004600	GAS REGULATORY SERVICES	110	-	-	-	478	-	588
006630	LGE - TELECOMMUNICATIONS	285,211	-	51	-	700,202	163	985,627
008811	EDO VP	(23,282)	-	-	-	-	-	(23,282)
008812	ELECTRIC CODES AND STANDARDS	(5,700)	-	-	-	-	-	(5,700)
008813	EDO ASSET INFORMATION	1,118	-	-	-	-	-	1,118
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	(1,762)	-	(1,762)
008910	LGE IT CHARGES	-	-	-	-	(9,566)	-	(9,566)
008970	LGE ENVIRONMENTAL CHARGES	9,874	-	-	-	-	-	9,874
010603	FINC & BUDGTNG-POWER PROD KU	169,846	-	-	-	-	-	169,846
011018	VEGETATION MANAGEMENT - KU	591,253	-	-	-	(0)	-	591,253
011061	AREA 1	243,576	-	-	-	-	-	243,576
011062	AREA 2	316,694	-	-	-	-	-	316,694
011063	AREA 3	263,279	-	-	-	-	-	263,279
011064	AREA 4	314,770	-	-	-	-	-	314,770
011065	AREA 5	402,591	-	-	-	-	-	402,591
011066	AREA 6	420,868	-	-	-	-	-	420,868
011067	AREA 7	222,786	-	-	-	-	-	222,786
011068	AREA 8	205,835	-	-	-	-	-	205,835
011069	AREA 9	591,161	-	-	-	-	-	591,161
011070	AREA 10	256,876	-	-	-	-	-	256,876
011071	AREA 11	203,054	-	-	-	-	-	203,054
011072	AREA 12	478,338	-	-	-	-	-	478,338
011075	TECH. AND SAFETY TRAINING DIST - KU	(610)	-	-	-	-	-	(610)
011090	SC AND M EARLINGTON	519,700	-	-	-	313,670	130,351	963,722
011370	FIELD SERVICES - KU	2,442,436	-	3,058	-	971	2,344	2,448,807
011560	EARLINGTON OPERATIONS CENTER	1,085,168	-	3,407	-	3,053,183	377,780	4,519,538
012050	SC AND M DANVILLE	493,125	-	-	-	586,807	46,291	1,126,023
012160	DANVILLE OPERATIONS CENTER	516,096	-	-	-	1,555,795	55,152	2,127,042
012360	RICHMOND OPERATIONS CENTER	491,948	-	-	-	1,349,952	35,589	1,877,489
012460	ELIZABETHTOWN OPERATIONS CENTER	296,913	-	-	-	1,398,967	140,267	1,836,147
012560	SHELBYVILLE OPERATIONS CENTER	481,533	-	-	-	1,538,825	10,696	2,031,055
013010	KU TRANSFORMER SERVICES	14,124	-	-	-	1	-	14,125
013040	SC AND M LEXINGTON	757,304	-	-	-	1,589,060	84,081	2,430,446
013080	ELECTRIC SYSTEM RESTORATION AND DISTRIBUTION - KU	7,121	-	-	-	-	-	7,121
013150	LEXINGTON OPERATIONS CENTER	1,156,873	-	-	-	6,163,389	120,350	7,440,611
013180	METER READING - KU	388,928	-	5,690	-	-	-	394,617
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	326,420	-	-	-	(32,059)	32,601	326,961
013660	MAYSVILLE OPERATIONS CENTER	734,327	-	-	-	1,573,916	104,072	2,412,316
013910	CLOSED 08/20 - MANAGER - LEXINGTON OPERATIONS CENTER	13,947	-	-	-	(4,887)	-	9,260
014160	PINEVILLE OPERATIONS CENTER	907,532	-	-	-	903,728	280,848	2,092,108
014260	LONDON OPERATIONS CENTER	494,549	-	-	-	1,410,183	259,438	2,164,170
014370	ASSET INFORMATION - KU	159,437	-	-	-	4,915	563,569	727,921
014940	SC AND M PINEVILLE	493,263	-	-	-	462,716	44,191	1,000,170
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	-	189,803	189,803
015328	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	47	165,075	165,123
015590	CORPORATE ITEMS	(3,249,117)	-	(2,472)	-	(52,775)	3,163,314	(141,050)
015595	TC IMA/MPA PARTNER ALLOCATION	(2,400,297)	(38,874)	-	-	-	2,393,568	(45,603)
015820	KU METER SHOP	1,007,160	-	2,804	-	395,264	-	1,405,227
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	(2,707)	-	-	-	-	-	(2,707)
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	4,168	-	4,168
015870	TRANSMISSION LINES	65,991	-	-	-	(581)	-	65,390
015970	KU - TELECOMMUNICATIONS	422,546	694	-	-	425,151	1,763	850,155
016220	E W BROWN - SUPT AND ADMIN	281,667	-	-	-	-	-	281,667
016230	EWB OPER / RESULTS	2,672,728	1,068,809	-	-	62,792	-	3,804,329
016250	EWB EQUIP MNTC	1,425,527	63,938	1,144	-	19,082	-	1,509,702
016260	EWB E AND I MNTC	1,423,651	49,541	-	-	13,880	-	1,487,072
016270	EWB COAL HANDLING	364,313	-	-	-	-	-	364,313
016300	EWB COMBUSTION TURBINE	1,229,844	1,328	201	-	5,430	-	1,236,803
016320	EWB ENVIRONMENTAL	69,582	-	-	-	-	-	69,582
016330	BR ENGINEERING AND TECHNICAL SERVICES	303,157	-	-	-	-	-	303,157
016340	EWB LABORATORY	334,543	-	-	-	-	-	334,543
016360	EWB MAINTENANCE	554,788	-	-	-	-	-	554,788
016370	EWB COMMERCIAL OPERATIONS	59,664	-	-	-	-	210,702	270,366
016380	SOLAR SHARE PROGRAM	(5,302)	-	-	-	-	-	(5,302)
016390	BROWN SOLAR	(17,372)	-	-	-	-	-	(17,372)
016520	GHEHT - SUPERINTENDENT	865,990	(7,806)	-	-	49,255	-	907,439
016530	GHEHT - PLANNING	747,330	-	-	-	-	-	747,330
016540	GH ENGINEERING AND TECHNICAL SERVICES	948,026	(1,009)	-	-	38,461	-	985,478
016550	GHEHT - MECHANICAL MNTC	1,856,629	60,575	-	-	67,386	-	1,984,590
016560	GHEHT - ELECTRICAL MNTC	1,513,687	42,182	-	-	25,396	-	1,581,265
016570	GHEHT - COAL YARD	479,425	-	-	-	-	-	479,425
016580	GHEHT - INSTRUMENT MNTC	1,548,807	61,160	-	-	25,096	-	1,635,063
016600	GHEHT - ASST SUPT OPER	363,104	110,491	-	-	-	-	473,595
016620	GHEHT - SCRUBBER MAINT	703,806	43,610	-	-	11,374	-	758,790
016630	GHEHT - COMMERCIAL	55,723	-	-	-	0	383,485	439,208
016640	GHEHT - STATION LAB	669,742	-	-	-	-	-	669,742
016650	GHEHT - OPERATIONS SHIFTS	7,427,907	-	-	-	21,127	-	7,449,034
016660	GHEHT-ASST SUPT MNTC	790,384	-	-	-	69,597	-	859,981
016670	GHEHT - OUTSIDE MNTC	327,816	-	-	-	792	-	328,610
016680	GHEHT - COAL COMBUSTION RESIDUALS	76,838	354,411	-	-	4,874	-	436,123
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(244,700)	-	-	-	-	-	(244,700)
016910	EWB DIX AND LOCK 7 HYDRO	230,387	20,990	-	-	2,780	-	254,157
017680	NORTON OPERATIONS CENTER	771,118	-	-	-	866,373	364,035	2,021,527
018808	EDO DIRECTOR KU OPERATIONS	(8,000)	-	-	-	-	-	(8,000)
018810	KU - ELECTRIC DISTRIBUTION CHARGES	(13,600)	-	-	-	-	-	(13,600)
018811	EDO VP	(30,862)	-	-	-	-	-	(30,862)
018812	ELECTRIC CODES AND STANDARDS	(5,700)	-	-	-	-	-	(5,700)
018813	EDO ASSET INFORMATION	559	-	-	-	-	-	559
018820	KU GENERATION CHARGES	66,796	-	-	-	-	-	66,796
018890	KU OPERATING SERVICES CHARGES	7,728	-	-	-	(1,902)	32,529	38,355

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other US	Capitalized	Other BS	Total
018910	KU IT CHARGES	101	-	-	-	20,277	-	20,378
018970	KU ENVIRONMENTAL CHARGES	6,280	-	-	-	-	-	6,280
021000	CHAIRMAN AND CEO	191,256	-	-	-	-	-	191,256
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	89,082	-	-	-	(7,718)	200,465	281,830
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	106,650	-	-	-	1,753	152,797	261,210
021017	ASSET INFORMATION & DATA ANALYTICS	4,314	-	-	-	-	9,635	13,948
021018	REGULATORY COMPLIANCE AND SPECIAL CONTRACTS	2,309	-	-	-	-	2,954	5,263
021019	DISTRIBUTION RELIABILITY	11,717	-	-	-	-	38,220	49,937
021020	DIRECTOR KU OPERATIONS	37,340	-	-	-	-	149,352	186,692
021035	VP CUSTOMER SERVICES - SERVCO	140,899	-	-	-	-	-	140,899
021055	VP ELECTRIC DISTRIBUTION - LKS	48,729	-	-	-	-	90,177	138,906
021070	DIRECTOR - ASSET MANAGEMENT	14,859	-	-	-	-	90,082	104,941
021071	SYSTEM ANALYSIS AND PLANNING - DIST	207,353	-	-	-	-	259,339	466,692
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	65,129	-	-	-	(66)	73,430	138,494
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	81,625	-	-	-	-	53,007	134,632
021075	ELECTRIC CODES AND STANDARDS	115,472	-	-	-	-	172,891	288,363
021076	ASSET INFORMATION-LKS	81,819	-	-	-	(33)	120,148	201,735
021078	PROTECTION & CONTROL ENGINEERING	55,890	-	-	-	-	146,578	202,459
021080	DISTRIBUTION SYSTEM ADMINISTRATION	187,367	-	-	-	10,135	-	197,501
021204	CCS RETAIL SUPPORT	785,587	-	156	-	-	(289)	785,455
021205	RESIDENTIAL SERVICE CENTER	4,203,820	-	-	-	12,009	-	4,215,828
021220	BUSINESS OFFICES	202,341	-	-	-	-	-	202,341
021221	CIVIC AFFAIRS	203,294	-	-	-	-	-	203,294
021225	BUSINESS SERVICE CENTER	1,001,042	-	-	-	-	-	1,001,042
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	122,385	-	-	-	-	-	122,385
021251	COMPLAINTS AND INQUIRY	178,451	-	-	-	-	-	178,451
021280	MANAGER - METER READING	185,795	-	-	-	-	-	185,795
021315	MANAGER, FIELD SERVICE OPERATIONS	351,915	-	-	-	-	-	351,915
021320	MANAGER - METER ASSET MANAGEMENT - LKS	167,988	-	-	-	(8,974)	-	161,014
021325	DIRECTOR REVENUE COLLECTION	90,688	-	-	-	-	-	90,688
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	436,632	-	-	-	(252)	-	436,380
021330	MANAGER REMITTANCE AND COLLECTION	430,724	-	-	-	-	-	430,724
021331	REVENUE ASSURANCE	195,633	-	-	-	-	-	195,633
021335	FEDERAL REGULATION & POLICY	160,888	-	-	-	-	-	160,888
021360	MANAGER BUSINESS SERVICES	1,166,654	-	-	-	(8,653)	-	1,158,000
021390	MANAGER MARKETING	(18,872)	-	-	-	-	-	(18,872)
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	124,360	-	-	-	-	-	124,360
021411	CS PROJECT SERVICES - LKS	127,549	59,348	-	-	-	-	186,897
021415	MANAGER, SMART GRID STRATEGY	75,782	86,575	-	-	-	-	162,357
021420	ENERGY EFFICIENCY OPERATIONS	24,328	184,284	-	-	-	-	208,613
021440	VP STATE REGULATION AND RATES	804,140	-	-	-	-	-	804,140
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	102,712	-	-	-	-	-	102,712
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	143,599	32,675	-	-	-	-	176,275
021900	PRESIDENT AND COO	166,821	-	-	-	-	-	166,821
021904	CHIEF OPERATING OFFICER	207,135	-	-	-	-	-	207,135
022020	GENERATION SUPPORT	1,290	-	-	-	-	-	1,290
022025	GENERATION TURBINE GENERATOR SPECIALIST	331,932	-	-	-	-	-	331,932
022060	DIRECTOR - GENERATION SERVICES	84,178	-	-	-	-	-	84,178
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	348,066	-	-	-	-	-	348,066
022070	RESEARCH AND DEVELOPMENT	257,699	-	-	-	-	-	257,699
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	337,417	-	-	-	-	-	337,417
022110	MANAGER - GENERATION ENGINEERING	631,875	-	-	-	-	-	631,875
022111	CIVIL ENGINEERING	50,522	-	-	-	-	-	50,522
022112	ELECTRICAL ENGINEERING	126,457	-	-	-	-	-	126,457
022113	MECHANICAL ENGINEERING	157,890	-	-	-	-	-	157,890
022114	PERFORMANCE ENGINEERING	84,392	-	-	-	-	-	84,392
022200	VP - POWER GENERATION	279,472	-	-	-	965	10,799	291,236
022210	DIRECTOR, COMMERCIAL OPERATIONS	62,820	-	-	-	24,717	89,037	176,575
022220	LKS - CANE RUN COMMERCIAL OPS	29,084	-	-	-	-	57,935	87,029
022230	LKS - MILL CREEK COMMERCIAL OPS	31,096	-	-	-	8,203	65,246	104,545
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	34,017	-	-	-	-	84,806	118,823
022250	LKS - GHENT COMMERCIAL OPS	58,488	-	-	-	0	141,819	200,108
022260	LKS - EW BROWN COMMERCIAL OPS	39,105	-	-	-	-	127,476	166,581
022270	LKS - RIVERPORT COMMERCIAL OPS	51,457	-	-	-	-	33,136	84,594
022800	DIRECTOR - FUELS MANAGEMENT	288,595	-	-	-	4,332	-	272,927
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	438,936	-	-	-	-	-	438,936
022970	GENERATION SYSTEM PLANNING	378,511	-	-	-	-	-	378,511
023000	VICE PRESIDENT - TRANSMISSION	173,066	-	-	-	-	-	173,066
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	30,232	-	-	-	-	111,269	141,500
023005	DIR TRANS STRATEGY & PLANNING	84,483	-	-	-	-	73,467	167,950
023010	DIRECTOR - TRANSMISSION	144,507	-	-	-	-	-	144,507
023020	TRANSMISSION SYSTEM OPERATIONS	1,943,416	-	-	-	-	7,313	1,950,729
023025	TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS	697,548	-	-	-	-	71,201	768,629
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	554,758	-	-	-	42,090	-	596,846
023050	TRANSMISSION STRATEGY & PLANNING	86,304	-	-	-	-	546,388	632,692
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	148,128	-	-	-	879	267,288	418,034
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	346,351	-	-	-	59,730	489,895	895,967
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	608,340	-	-	-	374,442	740,286	1,723,047
023070	MANAGER - TRANSMISSION LINES	201,828	-	-	-	562,613	1,272,323	2,036,563
023076	TRANSMISSION PROJECT MANAGEMENT	2,440	-	-	-	30,861	320,020	353,321
023090	TRANSMISSION POLICY & TARIFFS	235,105	-	-	-	-	-	235,105
023110	TRANSFORMER SERVICES	708	-	-	-	6,517	-	7,225
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	32,897	-	-	-	(2,275)	69,309	99,931
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	74,839	-	-	-	28,047	68,999	169,885
023210	LKS - FORESTRY	38,853	-	-	-	-	-	38,853
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,669,274	-	-	-	51,277	921,263	2,641,813
023550	SUBSTATION ENGINEERING AND DESIGN	12,338	-	-	-	(1,780)	445,938	456,496
023551	DISTRIBUTION ASSETS & STANDARDS	6,877	-	-	-	(1,137)	253,112	258,851
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	32,017	-	-	-	-	23,141	55,158
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	325,049	-	-	-	-	-	325,049
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	126,730	-	-	-	-	-	126,730
023815	SALES ANALYSIS & FORECASTING	296,178	-	-	-	-	-	296,178
025000	SVP HUMAN RESOURCES	142,934	-	-	-	-	-	142,934
025200	DIR - HUMAN RESOURCES	422,203	-	-	-	-	-	422,203
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	272,558	-	-	-	-	-	272,558
025300	DIRECTOR HR - CORPORATE	192,106	-	-	-	-	-	192,106
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	153,833	-	-	-	51,856	22,140	227,829
025415	IT SOURCING AND CONTRACT MANAGEMENT	302,511	-	-	-	-	557	304,230
025420	CORPORATE PURCHASING	253,772	508	-	-	363	-	254,643
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	292,945	-	-	-	7,607	95,825	396,477
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	(1,740)	(1,511)	-	-	3,821	384,163	384,733
025460	MANAGER - SUPPLIER DIVERSITY	63,879	-	-	-	3,857	-	67,836
025470	SARBANES OXLEY	93,018	-	-	-	-	-	93,018

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other US	Capitalized	Other B/S	Total
025500	DIRECTOR OPERATING SERVICES	127,468	-	-	-	-	-	127,468
025510	CONTRACT MANAGER - XEROX CORP.	(326)	-	-	-	(6,558)	-	(6,885)
025530	MANAGER TRANSPORTATION	-	-	-	-	-	150,975	150,975
025550	MANAGER OFFICE FACILITIES	217,328	-	-	-	(2,169)	-	215,158
025551	FACILITY OPERATIONS NORTH	87,689	-	-	-	(0)	-	87,689
025552	FACILITY OPERATIONS CENTRAL	18,090	-	-	-	-	-	18,090
025553	FACILITY OPERATIONS SOUTH	75,189	-	-	-	-	-	75,189
025555	FACILITY OPERATIONS - LEXINGTON	53,014	-	-	-	(943)	-	52,071
025580	FACILITY OPERATIONS DATA/CONTROL CENTER	48,004	-	-	-	-	-	48,004
025590	MANAGER REAL ESTATE AND RIGHT OF WAY	113,744	-	-	-	15,930	178,267	307,941
025593	CORPORATE SECURITY / BUSINESS CONTINUITY	287,073	-	-	-	15,104	-	302,177
025594	PROJECT PLANNING AND MANAGEMENT	105,501	-	313	-	65,190	-	171,004
025594	CORPORATE FACILITY SERVICES	58,404	-	-	-	-	-	58,404
025620	MANAGER HEALTH AND SAFETY	295,131	-	-	-	-	-	295,131
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	803,238	-	-	-	505	-	803,743
025660	STAFFING SERVICES	314,375	-	-	-	(2,310)	-	312,065
025670	COMPENSATION/HR POLICY & COMPLIANCE	125,505	-	-	-	-	-	125,505
025680	MANAGER BENEFITS AND RECORDS	243,755	-	-	-	89	-	243,844
025700	DIRECTOR - HUMAN RESOURCES	91,496	-	-	-	-	-	91,496
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	375,416	-	-	-	-	-	375,416
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	364,051	-	-	-	-	-	364,051
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	139,292	-	-	-	-	-	139,292
025775	HRIS	189,565	-	-	-	7,111	-	196,676
025780	MANAGER DIVERSITY STRATEGY	55,046	-	-	-	-	-	55,046
026020	FINANCIAL PLANNING & BUDGETING	163,470	-	-	-	-	-	163,470
026030	GENERATION, PE, AND SAFETY BUDGETING	193,530	-	-	-	68,057	-	261,587
026045	DIRECTOR CORPORATE TAX	403,034	-	-	-	8,727	-	411,761
026050	CFO	206,184	-	2,479	-	-	-	208,673
026080	MANAGER REVENUE ACCOUNTING	438,593	-	304	-	1,460	-	440,356
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	161,346	-	-	-	101,303	-	262,649
026120	MANAGER PROPERTY ACCOUNTING	463,071	-	-	-	(226)	-	462,845
026130	CONTROLLER	35,612	-	-	-	-	-	35,612
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	98,832	-	-	-	-	-	98,832
026140	MANAGER - FINANCIAL PLANNING	233,469	-	-	-	66,575	-	300,044
026145	SHARED SERVICES & CORPORATE BUDGETING	288,494	-	-	-	562	-	289,056
026155	FINANCIAL REPORTING	264,958	-	-	-	-	-	264,958
026160	REGULATORY ACCOUNTING AND REPORTING	286,555	-	-	-	1,102	-	287,657
026170	MANAGER - CUSTOMER ACCOUNTING	1,380,429	-	-	-	7	-	1,380,436
026175	TRANSMISSION, GAS, & ES BUDGETING	319,205	-	-	-	-	-	319,205
026190	CORPORATE ACCOUNTING	323,046	-	-	-	5,392	-	328,438
026200	SUPPLY CHAIN SUPPORT	323,724	-	-	-	9,328	29,430	363,083
026310	MANAGER PAYROLL	192,443	-	-	-	3,257	-	195,701
026330	TREASURER	153,407	-	-	-	-	-	153,407
026350	RISK MANAGEMENT	143,681	-	989	-	-	-	144,670
026370	CORPORATE FINANCE	209,503	-	-	-	-	-	209,503
026390	CREDIT/CONTRACT ADMINISTRATION	210,072	-	-	-	-	-	210,072
026400	AUDIT SERVICES	569,165	-	-	-	4,175	-	573,340
026490	CHIEF INFORMATION OFFICER	259,966	-	-	-	-	-	259,966
026492	SER IT CHARGES	-	-	-	-	27,180	-	27,180
026600	IT INFRASTRUCTURE AND OPERATIONS	361,795	-	-	-	330,678	-	692,473
026625	TRANSPORT ENGINEERING	380,147	-	-	-	549,466	1,471	931,085
026630	DATA NETWORKING	460,820	-	-	-	56,149	-	516,969
026635	WORKSTATION ENGINEERING	363,296	-	-	-	(39,126)	-	324,169
026636	IT CIP INFRASTRUCTURE	438,618	-	-	-	(36,562)	-	402,056
026637	DATA CENTER OPERATIONS	813,442	-	-	-	91,628	-	905,070
026638	GLOBAL NOC	193,834	-	-	-	22,443	-	216,277
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	441,579	-	-	-	24,862	-	466,442
026646	INFRASTRUCTURE SERVICES	780,064	-	-	-	16,393	-	796,457
026680	CLIENT SUPPORT SERVICES	74,061	-	-	-	-	-	74,061
026740	IT SECURITY AND RISK MANAGEMENT	152,783	-	-	-	-	-	152,783
026742	IT SECURITY	544,150	-	-	-	6,701	-	550,852
026744	IT SECURITY RISK MANAGEMENT	335,702	-	-	-	25,655	-	361,357
026760	IT TRAINING	143,236	-	-	-	-	-	143,236
026772	TECHNOLOGY SUPPORT CENTER	421,579	-	-	-	348	-	421,927
026774	DESKTOP OPERATIONS	335,145	-	8	-	83,383	-	418,537
026850	VP EXTERNAL AFFAIRS	-	-	244,821	-	-	-	244,821
026900	LEGAL DEPARTMENT - LKS	1,080,217	-	-	-	105,964	-	1,186,181
026905	COMPLIANCE DEPT	382,538	-	-	-	-	-	382,538
026910	GENERAL COUNSEL - LKS	221,773	-	-	-	-	-	221,773
026920	DIRECTOR - CORPORATE COMMUNICATION	221,716	-	-	-	-	-	221,716
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	264,320	-	-	-	-	-	264,320
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	765,828	-	-	-	9,461	-	795,289
027600	IT BUSINESS SERVICES	151,894	-	-	-	-	-	151,894
027610	IT PROJECT MANAGEMENT OFFICE	337,865	-	742	-	128,977	-	467,584
027620	IT BUSINESS ANALYSIS	323,306	-	-	-	101,384	-	424,691
027630	IT QUALITY ASSURANCE	109,126	-	-	-	22,823	-	131,949
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	260,585	-	-	-	14,399	-	274,984
027860	IT SERVICE MANAGEMENT	128,905	-	-	-	386	-	129,292
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	28,658	-	-	-	-	-	28,658
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	324,035	-	-	-	182,513	-	506,548
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	576,447	-	-	-	164,119	-	740,566
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	591,374	-	-	-	99,976	-	691,350
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	381,066	-	-	-	55,033	-	436,099
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND NET PLATFORMS	424,939	-	-	-	29,186	-	454,125
027870	IT DEVELOPMENT AND SUPPORT	159,753	-	-	-	42,314	-	202,067
029640	SVP ENERGY SUPPLY AND ANALYSIS	164,469	-	-	-	16,819	-	181,288
029645	DATA ANALYTICS - LKS	(14,505)	-	-	-	-	-	(14,505)
029660	DIRECTOR - POWER SUPPLY	1,320,015	-	-	-	-	-	1,320,015
029750	PROJECT ENGINEERING	42,109	-	-	-	4,669,420	26,708	4,738,237
029760	GENERATION SAFETY	140,362	-	-	-	-	-	140,362
	<b>Total Labor</b>	<b>107,233,923</b>	<b>2,350,163</b>	<b>262,951</b>	<b>-</b>	<b>33,239,752</b>	<b>17,933,628</b>	<b>161,020,408</b>
	<b>Total Off-Duty</b>	<b>16,936,146</b>	<b>348,810</b>	<b>44,077</b>	<b>-</b>	<b>5,361,371</b>	<b>2,951,955</b>	<b>25,642,358</b>
	<b>Total Employee Benefits</b>	<b>38,740,147</b>	<b>307,075</b>	<b>111,080</b>	<b>309,911</b>	<b>10,940,279</b>	<b>7,360,886</b>	<b>57,769,378</b>
	<b>Total Payroll Taxes</b>	<b>10,039,208</b>	<b>35,032</b>	<b>25,362</b>	<b>-</b>	<b>3,144,127</b>	<b>1,767,996</b>	<b>15,011,725</b>
	<b>Total Base Year Payroll Costs</b>	<b>172,949,423</b>	<b>3,041,070</b>	<b>443,469</b>	<b>309,911</b>	<b>52,685,529</b>	<b>30,014,465</b>	<b>258,443,868</b>

**Test Year Payroll Costs**

001075	TECH. AND SAFETY TRAINING DIST - LGE	41,791	-	-	-	-	-	41,791
002041	LGE - CANE RUN 7 ALLOCATIONS	4,174,555	-	-	-	-	-	4,174,555
002042	LGE - PADDYS RUN 13 ALLOCATIONS	192,769	-	-	-	-	-	192,769
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	611,093	-	-	-	-	-	611,093

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	9,065,685	194,495	-	-	-	-	9,260,181
003110	TRANSFORMERS SERVICES	44,590	-	-	-	-	-	44,590
006630	LGE - TELECOMMUNICATIONS	260,081	-	-	-	103,036	-	363,116
010603	FINC & BUDGTNG-POWER PROD KU	176,266	-	-	-	-	-	176,266
011018	VEGETATION MANAGEMENT - KU	374,192	-	-	-	-	-	374,192
011061	AREA 1	243,459	-	-	-	-	-	243,459
011062	AREA 2	378,378	-	-	-	-	-	378,378
011063	AREA 3	287,739	-	-	-	-	-	287,739
011064	AREA 4	345,028	-	-	-	-	-	345,028
011065	AREA 5	428,822	-	-	-	-	-	428,822
011066	AREA 6	485,594	-	-	-	-	-	485,594
011067	AREA 7	258,663	-	-	-	-	-	258,663
011068	AREA 8	223,871	-	-	-	-	-	223,871
011069	AREA 9	649,642	-	-	-	-	-	649,642
011070	AREA 10	284,586	-	-	-	-	-	284,586
011071	AREA 11	217,906	-	-	-	-	-	217,906
011072	AREA 12	533,301	-	-	-	-	-	533,301
011090	SC AND M EARLINGTON	534,176	-	-	-	78,510	147,543	760,329
011370	FIELD SERVICES - KU	2,745,160	-	-	-	-	-	2,745,160
011560	EARLINGTON OPERATIONS CENTER	1,134,321	-	-	-	2,975,876	371,000	4,481,197
012050	SC AND M DANVILLE	610,327	-	-	-	569,512	25,590	1,205,429
012160	DANVILLE OPERATIONS CENTER	535,000	-	-	-	1,617,500	55,500	2,208,000
012360	RICHMOND OPERATIONS CENTER	539,800	-	-	-	1,506,870	72,000	2,118,670
012460	ELIZABETHTOWN OPERATIONS CENTER	355,206	-	-	-	1,433,011	144,000	1,932,217
012560	SHELBYVILLE OPERATIONS CENTER	483,383	-	-	-	1,607,449	-	2,090,832
013040	SC AND M LEXINGTON	610,339	-	-	-	799,934	79,000	1,489,273
013150	LEXINGTON OPERATIONS CENTER	1,480,000	-	-	-	6,766,500	104,000	8,350,500
013180	METER READING - KU	427,952	-	-	-	-	-	427,952
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	481,283	-	-	-	231,779	36,600	749,662
013660	MAYSVILLE OPERATIONS CENTER	861,900	-	-	-	1,693,300	71,000	2,626,200
014160	PINEVILLE OPERATIONS CENTER	931,000	-	-	-	875,000	350,000	2,156,000
014280	LONDON OPERATIONS CENTER	515,000	-	-	-	1,372,000	267,000	2,154,000
014370	ASSET INFORMATION - KU	167,800	-	-	-	-	555,721	723,521
014940	SC AND M PINEVILLE	523,321	-	-	-	280,210	81,540	885,071
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	-	190,679	190,679
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	-	142,472	142,472
015590	CORPORATE ITEMS	(3,605,019)	-	-	-	-	3,084,568	(520,451)
015595	TC IMEA/MPA PARTNER ALLOCATION	(2,286,421)	(48,624)	-	-	-	2,315,045	-
015820	KU METER SHOP	765,753	-	-	-	623,604	-	1,389,357
015870	TRANSMISSION LINES	(92,596)	-	-	-	-	-	(92,596)
015970	KU - TELECOMMUNICATIONS	385,413	-	-	-	480,465	-	865,878
016220	E W BROWN - SUPT AND ADMIN	388,920	-	-	-	-	-	388,920
016230	EWB OPER / RESULTS	3,874,628	-	-	-	-	-	3,874,628
016250	EWB EQUIP MNTC	1,839,306	-	-	-	-	-	1,839,306
016260	EWB E AND I MNTC	1,577,830	-	-	-	-	-	1,577,830
016270	EWB COAL HANDLING	320,137	-	-	-	-	-	320,137
016300	EWB COMBUSTION TURBINE	1,343,157	-	-	-	-	-	1,343,157
016320	EWB ENVIRONMENTAL	142,642	-	-	-	-	-	142,642
016330	BR ENGINEERING AND TECHNICAL SERVICES	323,547	-	-	-	-	-	323,547
016340	EWB LABORATORY	345,806	-	-	-	-	-	345,806
016360	EWB MAINTENANCE	542,882	-	-	-	-	-	542,882
016370	EWB COMMERCIAL OPERATIONS	59,981	-	-	-	-	211,358	271,319
016520	GHENT - SUPERINTENDENT	1,063,273	-	-	-	-	-	1,063,273
016530	GHENT - PLANNING	918,867	-	-	-	-	-	918,867
016540	GH ENGINEERING AND TECHNICAL SERVICES	1,185,992	-	-	-	-	-	1,185,992
016550	GHENT - MECHANICAL MNTC	2,086,762	-	-	-	-	-	2,086,762
016560	GHENT - ELECTRICAL MNTC	1,597,056	-	-	-	-	-	1,597,056
016570	GHENT - COAL YARD	640,308	-	-	-	-	-	640,308
016580	GHENT - INSTRUMENT MNTC	1,771,327	-	-	-	-	-	1,771,327
016600	GHENT - ASST SUPT OPER	447,707	-	-	-	-	-	447,707
016620	GHENT - SCRUBBER MAINT	799,906	-	-	-	-	-	799,906
016630	GHENT - COMMERCIAL	70,080	-	-	-	-	364,796	434,876
016640	GHENT - STATION LAB	700,279	-	-	-	-	-	700,279
016650	GHENT - OPERATIONS SHIFTS	8,217,769	-	-	-	-	-	8,217,769
016660	GHENT-ASST SUPT MNTC	886,299	-	-	-	-	-	886,299
016670	GHENT - OUTSIDE MNTC	306,507	-	-	-	-	-	306,507
016680	GHENT - COAL COMBUSTION RESIDUALS	496,205	-	-	-	-	-	496,205
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	(269,189)	-	-	-	-	-	(269,189)
017860	NORTON OPERATIONS CENTER	812,000	-	-	-	939,000	312,600	2,063,600
018890	KU OPERATING SERVICES CHARGES	47,063	-	-	-	-	198,101	245,163
021000	CHAIRMAN AND CEO	345,829	-	-	-	-	-	345,829
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	10,873	-	-	-	-	124,781	135,654
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	56,121	-	-	-	-	168,362	224,483
021017	ASSET INFORMATION & DATA ANALYTICS	19,326	-	-	-	-	58,074	77,401
021018	REGULATORY COMPLIANCE AND SPECIAL CONTRACTS	49,723	-	-	-	-	16,369	66,093
021019	DISTRIBUTION RELIABILITY	71,358	-	-	-	-	238,083	309,421
021020	DIRECTOR KU OPERATIONS	41,798	-	-	-	-	131,329	173,127
021035	VP CUSTOMER SERVICES - SERVCO	(308,914)	-	-	-	-	-	(308,914)
021055	VP ELECTRIC DISTRIBUTION - LKS	(144,095)	-	-	-	-	132,013	(12,072)
021070	DIRECTOR - ASSET MANAGEMENT	15,960	-	-	-	-	76,328	92,288
021071	SYSTEM ANALYSIS AND PLANNING - DIST	174,990	-	-	-	-	267,504	442,494
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	71,934	-	-	-	-	96,448	168,382
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	75,855	-	-	-	-	92,773	168,627
021075	ELECTRIC CODES AND STANDARDS	92,910	-	-	-	-	185,312	278,222
021076	ASSET INFORMATION-LKS	48,564	-	-	-	-	164,601	213,165
021078	PROTECTION & CONTROL ENGINEERING	77,292	-	-	-	-	164,234	241,526
021080	DISTRIBUTION SYSTEM ADMINISTRATION	175,202	-	-	-	-	-	175,202
021204	CCS RETAIL SUPPORT	829,121	-	-	-	-	-	829,121
021205	RESIDENTIAL SERVICE CENTER	4,538,570	-	-	-	-	-	4,538,570
021220	BUSINESS OFFICES	194,109	-	-	-	-	-	194,109
021221	CIVIC AFFAIRS	206,711	-	-	-	-	-	206,711
021225	BUSINESS SERVICE CENTER	1,092,416	-	-	-	-	-	1,092,416
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	125,758	-	-	-	-	-	125,758
021251	COMPLAINTS AND INQUIRY	209,904	-	-	-	-	-	209,904
021280	MANAGER - METER READING	193,997	-	-	-	-	-	193,997
021315	MANAGER, FIELD SERVICE OPERATIONS	375,188	-	-	-	-	-	375,188
021320	MANAGER - METER ASSET MANAGEMENT - LKS	232,734	-	-	-	-	-	232,734
021325	DIRECTOR REVENUE COLLECTION	94,357	-	-	-	-	-	94,357
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	488,829	-	-	-	-	-	488,829
021330	MANAGER REMITTANCE AND COLLECTION	650,667	-	-	-	-	-	650,667
021335	FEDERAL REGULATION & POLICY	189,672	-	-	-	-	-	189,672
021380	MANAGER BUSINESS SERVICES	1,192,546	-	-	-	-	-	1,192,546
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	124,211	-	-	-	-	-	124,211

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Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other US	Capitalized	Other BS	Total
021411	CS PROJECT SERVICES - LKS	90,826	-	-	-	-	-	90,826
021415	MANAGER, SMART GRID STRATEGY	-	399,067	-	-	-	-	399,067
021420	ENERGY EFFICIENCY OPERATIONS	75,754	-	-	-	-	-	75,754
021440	VP STATE REGULATION AND RATES	785,893	-	-	-	-	-	785,893
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	95,284	-	-	-	-	-	95,284
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	201,347	-	-	-	-	-	201,347
021904	CHIEF OPERATING OFFICER	141,666	-	-	-	-	-	141,666
022025	GENERATION TURBINE GENERATOR SPECIALIST	384,594	-	-	-	-	-	384,594
022060	DIRECTOR - GENERATION SERVICES	122,960	-	-	-	-	-	122,960
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	326,406	-	-	-	-	-	326,406
022070	RESEARCH AND DEVELOPMENT	258,702	-	-	-	-	-	258,702
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	313,807	-	-	-	-	-	313,807
022110	MANAGER - GENERATION ENGINEERING	312,434	-	-	-	-	-	312,434
022112	ELECTRICAL ENGINEERING	307,735	-	-	-	-	-	307,735
022113	MECHANICAL ENGINEERING	378,155	-	-	-	-	-	378,155
022114	PERFORMANCE ENGINEERING	189,915	-	-	-	-	-	189,915
022200	VP - POWER GENERATION	(249,016)	-	-	-	-	9,481	(239,535)
022210	DIRECTOR, COMMERCIAL OPERATIONS	94,513	-	-	-	-	117,067	211,580
022220	LKS - CANE RUN COMMERCIAL OPS	41,374	-	-	-	-	105,076	146,449
022230	LKS - MILL CREEK COMMERCIAL OPS	58,650	-	-	-	-	158,649	217,300
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	47,802	-	-	-	-	125,330	173,131
022250	LKS - GHENT COMMERCIAL OPS	61,080	-	-	-	-	155,363	216,443
022260	LKS - EW BROWN COMMERCIAL OPS	46,065	-	-	-	-	128,204	172,269
022270	LKS - RIVERPORT COMMERCIAL OPS	49,517	-	-	-	-	34,410	83,927
022800	DIRECTOR - FUELS MANAGEMENT	341,962	-	-	-	-	-	341,962
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	569,210	-	-	-	-	-	569,210
022970	GENERATION SYSTEM PLANNING	452,500	-	-	-	-	-	452,500
023000	VICE PRESIDENT - TRANSMISSION	139,828	-	-	-	-	-	139,828
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	13,820	-	-	-	-	122,577	136,197
023005	DIR TRANS STRATEGY & PLANNING	165,528	-	-	-	-	-	165,528
023010	DIRECTOR - TRANSMISSION	154,035	-	-	-	-	-	154,035
023020	TRANSMISSION SYSTEM OPERATIONS	2,094,878	-	-	-	-	42,613	2,107,490
023025	TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS	841,794	-	-	-	-	115,416	757,210
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	590,191	-	-	-	-	-	590,191
023050	TRANSMISSION STRATEGY & PLANNING	533,285	-	-	-	-	207,381	740,666
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	170,854	-	-	-	-	278,762	449,617
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	479,392	-	-	-	139,708	318,467	937,567
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	600,253	-	-	-	652,343	861,427	2,114,023
023070	MANAGER - TRANSMISSION LINES	371,738	-	-	-	618,135	1,223,290	2,213,163
023076	TRANSMISSION PROJECT MANAGEMENT	2,100	-	-	-	-	417,816	420,017
023090	TRANSMISSION POLICY & TARIFFS	235,560	-	-	-	-	-	235,560
023110	TRANSFORMER SERVICES	15,782	-	-	-	35,026	-	50,808
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	40,523	-	-	-	70,204	61,722	172,449
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	12,499	-	-	-	-	-	12,499
023210	LKS - FORESTRY	105,765	-	-	-	-	-	105,765
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,760,260	-	-	-	30,000	902,055	2,692,315
023550	SUBSTATION ENGINEERING AND DESIGN	23,734	-	-	-	52,671	697,913	774,318
023551	DISTRIBUTION ASSETS & STANDARDS	10,292	-	-	-	-	260,958	271,250
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	23,142	-	-	-	-	40,503	63,645
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	296,455	-	-	-	-	-	296,455
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	134,058	-	-	-	-	-	134,058
023815	SALES ANALYSIS & FORECASTING	292,670	-	-	-	-	-	292,670
025000	SVP HUMAN RESOURCES	125,520	-	-	-	-	-	125,520
025200	DIR - HUMAN RESOURCES	448,369	-	-	-	-	-	448,369
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	357,276	-	-	-	-	-	357,276
025300	DIRECTOR HR - CORPORATE	204,339	-	-	-	-	-	204,339
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	224,383	-	-	-	-	19,512	243,894
025415	IT SOURCING AND CONTRACT MANAGEMENT	312,485	-	-	-	-	-	312,485
025420	CORPORATE PURCHASING	267,538	-	-	-	-	-	267,538
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	330,748	-	-	-	-	98,795	429,543
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	-	-	-	-	-	322,858	322,858
025460	MANAGER - SUPPLIER DIVERSITY	74,461	-	-	-	-	-	74,461
025470	SARBANES OXLEY	96,504	-	-	-	-	-	96,504
025600	DIRECTOR OPERATING SERVICES	126,027	-	-	-	-	-	126,027
025630	MANAGER TRANSPORTATION	-	-	-	-	-	152,496	152,496
025650	MANAGER OFFICE FACILITIES	264,392	-	-	-	-	-	264,392
025651	FACILITY OPERATIONS NORTH	87,983	-	-	-	-	-	87,983
025652	FACILITY OPERATIONS CENTRAL	37,547	-	-	-	-	-	37,547
025653	FACILITY OPERATIONS SOUTH	77,266	-	-	-	-	-	77,266
025655	FACILITY OPERATIONS - LEXINGTON	64,653	-	-	-	-	-	64,653
025660	FACILITY OPERATIONS DATA/CONTROL CENTER	88,196	-	-	-	-	-	88,196
025680	MANAGER REAL ESTATE AND RIGHT OF WAY	82,658	-	-	-	-	8,477	91,134
025690	CORPORATE SECURITY / BUSINESS CONTINUITY	328,427	-	-	-	-	-	328,427
025693	PROJECT PLANNING AND MANAGEMENT	113,571	-	-	-	21,480	-	135,051
025694	CORPORATE FACILITY SERVICES	64,640	-	-	-	-	-	64,640
025620	MANAGER HEALTH AND SAFETY	290,945	-	-	-	-	-	290,945
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	860,666	-	-	-	-	-	860,666
025660	STAFFING SERVICES	375,790	-	-	-	-	-	375,790
025670	COMPENSATION/HR POLICY & COMPLIANCE	143,748	-	-	-	-	-	143,748
025680	MANAGER BENEFITS AND RECORDS	250,494	-	-	-	-	-	250,494
025700	DIRECTOR - HUMAN RESOURCES	118,616	-	-	-	-	-	118,616
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	370,458	-	-	-	-	-	370,458
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	339,149	-	-	-	-	-	339,149
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	144,038	-	-	-	-	-	144,038
025775	HRIS	210,758	-	-	-	-	-	210,758
025780	MANAGER DIVERSITY STRATEGY	66,289	-	-	-	-	-	66,289
026020	FINANCIAL PLANNING & BUDGETING	162,815	-	-	-	-	-	162,815
026030	GENERATION, PE, AND SAFETY BUDGETING	148,552	-	-	-	117,523	-	266,075
026045	DIRECTOR CORPORATE TAX	437,978	-	-	-	-	-	437,978
026050	CFO	65,646	-	-	-	-	-	65,646
026080	MANAGER REVENUE ACCOUNTING	461,573	-	-	-	-	-	461,573
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	285,924	-	-	-	-	-	285,924
026120	MANAGER PROPERTY ACCOUNTING	446,885	-	-	-	-	-	446,885
026130	CONTROLLER	132,115	-	-	-	-	-	132,115
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	101,430	-	-	-	-	-	101,430
026140	MANAGER - FINANCIAL PLANNING	315,700	-	-	-	-	-	315,700
026145	SHARED SERVICES & CORPORATE BUDGETING	284,733	-	-	-	-	-	284,733
026155	FINANCIAL REPORTING	246,221	-	-	-	-	-	246,221
026160	REGULATORY ACCOUNTING AND REPORTING	289,815	-	-	-	-	-	289,815
026170	MANAGER - CUSTOMER ACCOUNTING	1,452,456	-	-	-	-	-	1,452,456
026175	TRANSMISSION, GAS, & ES BUDGETING	354,088	-	-	-	-	-	354,088
026190	CORPORATE ACCOUNTING	343,525	-	-	-	-	-	343,525
026200	SUPPLY CHAIN SUPPORT	345,991	-	-	-	-	47,181	393,171

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026310	MANAGER PAYROLL	197,012	-	-	-	-	-	197,012
026330	TREASURER	157,089	-	-	-	-	-	157,089
026350	RISK MANAGEMENT	144,614	-	-	-	-	-	144,614
026370	CORPORATE FINANCE	228,048	-	-	-	-	-	228,048
026390	CREDIT/CONTRACT ADMINISTRATION	204,686	-	-	-	-	-	204,686
026400	AUDIT SERVICES	586,997	-	-	-	-	-	586,997
026490	CHIEF INFORMATION OFFICER	123,378	-	-	-	-	-	123,378
026600	IT INFRASTRUCTURE AND OPERATIONS	357,856	-	-	-	25,109	-	382,965
026625	TRANSPORT ENGINEERING	417,570	-	-	-	124,765	-	542,325
026630	DATA NETWORKING	543,348	-	-	-	130,491	-	673,839
026635	WORKSTATION ENGINEERING	384,709	-	-	-	110,536	-	495,244
026636	IT CIP INFRASTRUCTURE	480,060	-	-	-	52,811	-	532,871
026637	DATA CENTER OPERATIONS	833,954	-	-	-	90,941	-	1,024,896
026638	GLOBAL NOC	216,478	-	-	-	24,978	-	241,456
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	380,624	-	-	-	112,885	-	493,509
026648	INFRASTRUCTURE SERVICES	818,217	-	-	-	13,167	-	831,383
026680	CLIENT SUPPORT SERVICES	81,680	-	-	-	-	-	81,680
026740	IT SECURITY AND RISK MANAGEMENT	159,473	-	-	-	-	-	159,473
026742	IT SECURITY	561,987	-	-	-	14,916	-	576,904
026744	IT SECURITY RISK MANAGEMENT	325,040	-	-	-	51,885	-	377,025
026760	IT TRAINING	148,455	-	-	-	-	-	148,455
026772	TECHNOLOGY SUPPORT CENTER	460,820	-	-	-	-	-	460,820
026774	DESKTOP OPERATIONS	336,138	-	-	-	124,328	-	460,465
026850	VP EXTERNAL AFFAIRS	-	-	247,939	-	-	-	247,939
026900	LEGAL DEPARTMENT - LKS	1,112,930	-	-	-	33,293	-	1,146,223
026905	COMPLIANCE DEPT	396,829	-	-	-	-	-	396,829
026910	GENERAL COUNSEL - LKS	187,118	-	-	-	-	-	187,118
026920	DIRECTOR - CORPORATE COMMUNICATION	198,509	-	-	-	-	-	198,509
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	268,817	-	-	-	-	-	268,817
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	803,336	-	-	-	-	-	803,336
027600	IT BUSINESS SERVICES	178,067	-	-	-	-	-	178,067
027610	IT PROJECT MANAGEMENT OFFICE	515,212	-	-	-	289,439	-	803,651
027620	IT BUSINESS ANALYSIS	337,609	-	-	-	291,485	-	629,094
027630	IT QUALITY ASSURANCE	69,535	-	-	-	109,974	-	179,509
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	298,622	-	-	-	-	-	298,622
027660	IT SERVICE MANAGEMENT	122,174	-	-	-	-	-	122,174
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	521,243	-	-	-	81,605	-	602,849
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	147,217	-	-	-	880,715	-	1,027,932
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	652,889	-	-	-	249,970	-	902,869
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	449,169	-	-	-	69,307	-	518,475
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	535,449	-	-	-	93,878	-	629,427
027870	IT DEVELOPMENT AND SUPPORT	331,996	-	-	-	118,090	-	448,086
029640	SVP ENERGY SUPPLY AND ANALYSIS	105,102	-	-	-	31,435	-	136,537
029645	DATA ANALYTICS - LKS	243,827	-	-	-	-	-	243,827
029660	DIRECTOR - POWER SUPPLY	1,333,845	-	-	-	-	-	1,333,845
029750	PROJECT ENGINEERING	78,062	-	-	-	3,232,951	-	3,311,012
029760	GENERATION SAFETY	133,775	-	-	-	-	-	133,775
<b>Total Labor</b>		<b>116,029,460</b>	<b>544,939</b>	<b>247,939</b>	<b>-</b>	<b>32,046,888</b>	<b>18,128,200</b>	<b>166,997,426</b>
<b>Total Off-Duty</b>		<b>18,469,801</b>	<b>90,067</b>	<b>41,803</b>	<b>-</b>	<b>5,169,207</b>	<b>3,108,395</b>	<b>26,879,273</b>
<b>Total Employee Benefits</b>		<b>46,229,536</b>	<b>246,666</b>	<b>112,732</b>	<b>-</b>	<b>11,792,191</b>	<b>7,931,716</b>	<b>66,312,841</b>
<b>Total Payroll Taxes</b>		<b>10,962,197</b>	<b>52,586</b>	<b>23,311</b>	<b>-</b>	<b>3,161,969</b>	<b>1,745,671</b>	<b>15,945,734</b>
<b>Total Test Year Payroll Costs</b>		<b>191,690,994</b>	<b>934,258</b>	<b>425,784</b>	<b>-</b>	<b>52,170,256</b>	<b>30,913,982</b>	<b>276,135,274</b>

Most other labor costs are not allocated to the expenditure org (department) level and are accounted for in Corporate.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 41**

**Responding Witness: Gregory J. Meiman**

- Q-41. Please provide a breakdown of the total headcount by department and in total for the Companies at December 31 for each of the years 2015-2019, the most current date available, the end of the forecasted base year and the end of forecasted test year.
- A-41. See attached for a listing of headcount by department for LG&E and LKS. The budgeted columns reflect all headcount being filled. To the extent there are vacant positions, the dollars budgeted would be used for overtime and contractors to perform the work.

Louisville Gas and Electric Company  
 Case No. 2020-00350  
 Question No. 41

Louisville Gas and Electric Company Total Headcount by Department

	Actuals						Budget	
	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Feb-21	Jun-22
P01000: TOTAL LGE UTILITY	1017	1038	1001	1045	1066	1031	1103	1113
001075 001075 - TECH. AND SAFETY TRAINING DIST - LGE	1	1	1	1	1	1	1	1
001220 001220 - BUSINESS OFFICES - LGE	10	11	12	13	13	11	14	14
001280 001280 - METER READING - LGE	7	7	7	6	7	7	7	7
001295 001295 - FIELD SERVICE - LGE	24	21	22	21	22	22	22	22
001320 001320 - REVENUE PROTECTION - LGE	1	1						
001345 001345 - METER SHOP LGE	13	13	13	13	12	13	15	15
002060 002060 - CENT ENG/CONST MGMT	3	3	3		1	1	1	1
002120 002120 - OHIO FALLS	6	9	9	7	8	7	7	7
002130 002130 - CANE RUN CCGT - LGE	43	44	39	45	45	44	46	46
002140 002140 - OTH PROD OPR/MTCE			5	4	5	3	4	4
002280 021016 - DIST ANALYTICS AND SPECIAL CONTRACTS	1							
002320 002320 - MC-COMMON PLANT	99	96	89	90	92	84	89	88
002330 002330 - MC ENGINEERING AND TECHNICAL SERVICES	1	9	10	12	16	12	18	18
002340 002340 - MC COMMERCIAL OPERATIONS	9	9	8	5	6	5	5	5
002350 002350 - MC-LABORATORY	11	12	13	12	13	13	15	15
002401 002401 - GEN. MGR. MILL CREEK STATION	8	10	10	13	13	9	12	12
002480 002480 - MGR. MILL CREEK MAINTENANCE	24	17	13	17	17	17	17	17
002481 002481 - MILL CREEK MECHANICAL MAINTENANCE	32	31	29	30	31	30	31	31
002482 002482 - MILL CREEK I/E MAINTENANCE	32	32	30	31	31	30	32	32
002530 021070 - DIRECTOR - ASSET MANAGEMENT	2	1						
002560 021072 - ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	1							
002603 002603 - FINC & BUDGTNG-POWER PROD LG&E	3	3	3	3	3	3	3	3
002650 002650 - GENERAL MANAGER - TC	6	6	6	6	6	6	6	6
002670 002670 - TRIMBLE COUNTY - COMMERCIAL OPERATIONS	5	4	4	4	4	3	4	4
002680 002680 - TC ENGINEERING AND TECHNICAL SERVICES	14	12	11	12	14	13	20	20
002710 002710 - TC-LABORATORY	6	8	7	9	8	7	7	7
002720 002720 - TC OPERATIONS	9	9	13	14	14	16	15	14
002730 002730 - TC OPER-A WATCH	12	15	14	12	15	14	15	15
002740 002740 - TC OPER-B WATCH	14	14	15	14	15	13	15	15
002750 002750 - TC OPER-C WATCH	14	13	13	14	13	14	15	15
002760 002760 - TC OPER-D WATCH	16	15	14	15	15	14	15	15
002770 002770 - TC-MAINTENANCE SVCS	14	15	14	16	15	17	16	16
002780 002780 - TC-MAINTENANCE I/E	31	30	29	32	35	32	37	37
002790 002790 - TC-MTCE MECHANICAL	24	23	21	22	27	24	28	28
002820 002820 - MC-MATERIAL HANDLING	17	17	15	14	12	11	11	11
002840 002840 - TC-MATERIAL HANDLING	5	6	5	5	5	5	5	5
003030 003030 - SUBSTATION OPS.	11	10	9	10	10	10	10	10
003110 003110 - TRANSFORMERS SERVICES	8	8	7	7	5	4	7	7
003160 003160 - SC M LOUISVILLE	28	30	29	19	18	19	18	18
003210 003210 - FORESTRY	2	2	2	2	2	2	2	2
003300 003300 - ELECTRIC CONSTRUCTION CREWS-ESC	43	45	43	45	36	32	38	38
003320 003320 - STREET LIGHTING-LGE			3	3	3	3	3	3
003385 003385 - LINE LOCATING	1	2	2	2	1	2	2	2
003400 003400 - ELECTRIC CONSTRUCTION CREWS-AOC	48	45	45	43	37	42	40	40
003410 003410 - JOINT TRENCH ENHANCE AND CONNECT NETWORK	5	5	3	3	3	3	3	3
003430 003430 - NETWORK OPS. 3PH COMMERCIAL	27	27	27	26	19	22	22	22
003440 003440 - UNDERGROUND CONSTRUCTION					11	12	12	12
003450 003450 - MANAGER ELECTRIC DISTRIBUTION	6	8	8	10	16	17	16	16
003470 003470 - PERFORMANCE METRICS	7	6	5	6	6	5	6	6
003550 021075 - DESIGN, CONST. AND MATERIALS STANDARD - DIST	1							
003560 003560 - SUBSTATION RELAY, PROTECTION & CONTROL - LGE				10	11	9	11	11
004010 004010 - MANAGER DISTRIBUTION DESIGN	7	1	1					
004040 004040 - DISTRIBUTION DESIGN	24	32	33	34	35	37	36	36
004060 004060 - GAS DIST. CONTRACT CONSTRUCTION	17	17	18	21	24	23	22	22
004100 004100 - DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	2	2	2	1	1	1	1	1
004140 004140 - MANAGER, GAS CONSTRUCTION	7	8	8	9	9	9	11	11
004190 004190 - GAS DIST OPRS-REPAIR AND MAINTAIN	45	46	46	46	48	48	50	51
004220 004220 - SVC DEL-BARDSTOWN	3	4	4	4	4	4	4	4
004270 004270 - GAS DISPATCH	10	10	10	9	12	12	12	12
004280 004280 - GAS TROUBLE	16	20	20	19	18	17	17	17
004290 004290 - METER SHOP	5	5	5	5	6	7	8	8
004370 004370 - ASSET INFORMATION LGE	11	11	11	11	11	9	11	11
004380 004380 - GAS-ENGINEERS	11	11	12	13	13	12	15	15
004385 004385 - TRANSMISSION INTEGRITY & COMPLIANCE	9	9	8	10	9	10	15	16
004450 004450 - CORROSION CONTROL	10	11	10	14	13	15	14	14
004470 004470 - MULDRAGH STORAGE	37	45	38	35	33	32	33	33
004475 004475 - DIR. GAS CONTROL AND STORAGE - LGE	1	1	1	3	3	3	4	4
004480 004480 - MAGNOLIA STORAGE	30	32	27	27	24	22	22	22
004490 004490 - GAS CONTROL	10	11	10	14	15	17	15	17
004500 004500 - INSTR., MEASUREMENT	8	8	9	11	11	10	10	12
004510 004510 - SYSTEM REGULATION OPERATION	17	17	16	17	17	17	18	20
004560 004560 - GAS PROCUREMENT	6	6	6	6	6	6	6	6
004600 004600 - GAS REGULATORY SERVICES	13	13	13	15	15	13	15	15

Louisville Gas and Electric Company  
 Case No. 2020-00350  
 Question No. 41

Louisville Gas and Electric Company Total Headcount by Department

	Actuals						Budget	
	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Feb-21	Jun-22
<b>P00020: TOTAL LG&amp;E AND KU SERVICES COMPANY</b>	<b>1600</b>	<b>1631</b>	<b>1651</b>	<b>1649</b>	<b>1644</b>	<b>1664</b>	<b>1729</b>	<b>1738</b>
021000 021000 - CHAIRMAN AND CEO	2	2	2	2	2	2	2	2
021015 021015 - 01 DIRECTOR SYSTEMS, OPS AND PLANNING	6	6	7	8	6	1	2	2
021016 021016 - DISTRIBUTION ANALYTICS & RESOURCE PLANNING			4	5	6	6	5	5
021017 021017 - ASSET INFORMATION & DATA ANALYTICS						1	1	1
021018 021018 - REGULATORY COMPLIANCE AND SPECIAL CONTRACTS							2	2
021019 021019 - DISTRIBUTION RELIABILITY						6	7	7
021020 021020 - DIRECTOR KU OPERATIONS	2	2	2	2	1	1	1	1
021035 021035 - VP CUSTOMER SERVICES - SERVCO	2	2	2	2	2	2	2	2
021055 021055 - VP ELECTRIC DISTRIBUTION - LKS	2	2	2	2	2	2	2	2
021070 021070 - DIRECTOR - ASSET MANAGEMENT	1	1	1	1	1	1	1	1
021071 021071 - SYSTEM ANALYSIS AND PLANNING - DIST	8	9	10	8	8	8	8	8
021072 021072 - ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	9	5	2	2	2	2	3	3
021073 021073 - DIST SYSTEMS, COMPLIANCE AND EMER PREP	5	5	4	4	2	1	3	3
021075 021075 - ELECTRIC CODES AND STANDARDS	3	7	5	6	6	5	6	6
021076 021076 - ASSET INFORMATION-LKS	1	3	3	3	3	5	3	3
021078 021078 - PROTECTION & CONTROL ENGINEERING				3	4	4	4	4
021080 021080 - DISTRIBUTION SYSTEM ADMINISTRATION	7	7	7	7	6	5	5	5
021204 021204 - CCS RETAIL SUPPORT	20	13	21	21	24	22	24	24
021205 021205 - RESIDENTIAL SERVICE CENTER	190	210	197	196	179	185	187	187
021220 021220 - BUSINESS OFFICES	10	11	10	4	4	5	4	4
021221 021221 - CIVIC AFFAIRS				7	7	7	7	7
021225 021225 - BUSINESS SERVICE CENTER	34	33	32	30	34	34	34	34
021250 021250 - DIRECTOR CUSTOMER SERVICE AND MARKETING	2	2	2	2	2	2	2	2
021251 021251 - COMPLAINTS AND INQUIRY	6	6	6	6	6	6	6	6
021280 021280 - MANAGER - METER READING	5	5	5	6	6	6	6	6
021315 021315 - MANAGER, FIELD SERVICE OPERATIONS	11	14	14	14	14	15	15	15
021320 021320 - MANAGER - METER ASSET MANAGEMENT - LKS	4	4	3	4	3	4	6	6
021325 021325 - DIRECTOR REVENUE COLLECTION	1	1	1	1	1	1	1	1
021326 021326 - BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	8	7	10	10	9	11	12	12
021330 021330 - MANAGER REMITTANCE AND COLLECTION	21	21	21	19	17	15	16	16
021331 021331 - REVENUE ASSURANCE	5	6	6	6	6	6	7	7
021335 021335 - FEDERAL REGULATION & POLICY	3	1	2	2	3	2	3	3
021360 021360 - MANAGER BUSINESS SERVICES	19	18	19	20	19	18	18	18
021370 021016 - DIST ANALYTICS AND SPECIAL CONTRACTS	2	26						
021390 021390 - MANAGER MARKETING	4	5	6	4			2	2
021410 021410 - DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	2	2	2	1	2	2		
021411 021411 - CS PROJECT SERVICES - LKS			11	6	3	3	3	8
021415 021415 - MANAGER, SMART GRID STRATEGY	2	3	2	2	1	3	1	1
021420 021420 - ENERGY EFFICIENCY OPERATIONS	10	10	7	5	5	4	5	5
021440 021440 - VP STATE REGULATION AND RATES	15	16	16	16	15	15	16	16
021500 021500 - DIRECTOR SAFETY AND TECHNICAL TRAINING	2	2	2	2	2	2	2	2
021520 021520 - ENERGY EFFICIENCY OPERATIONS - NON DSM	6	6	6	5	5	5	6	6
021900 021900 - PRESIDENT AND COO	2	2	2					
021904 021904 - CHIEF OPERATING OFFICER			2	2	2	2	2	2
022025 022025 - GENERATION TURBINE GENERATOR SPECIALIST	7	8	8	8	4	4	6	6
022060 022060 - DIRECTOR - GENERATION SERVICES	3	3	3	4	3	3	3	3
022065 022065 - MANAGER - SYSTEM LAB AND ENV. COMPL.	10	10	10	10	11	11	12	12
022070 022070 - RESEARCH AND DEVELOPMENT	4	5	4	5	5	3	6	6
022080 022080 - MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	9	8	8	10	10	10	10	10
022100 021020 - DIRECTOR DISTRIBUTION OPERATIONS	2	2						
022110 022110 - MANAGER - GENERATION ENGINEERING	27	26	26	27	29	3	5	5
022111 022111 - CIVIL ENGINEERING						5	5	5
022112 022112 - ELECTRICAL ENGINEERING						8	8	8
022113 022113 - MECHANICAL ENGINEERING						9	10	10
022114 022114 - PERFORMANCE ENGINEERING						5	5	5
022200 022200 - VP - POWER GENERATION	7	8	8	6	5	5	5	4
022210 022210 - DIRECTOR, COMMERCIAL OPERATIONS	5	5	3	4	5	4	4	4
022220 022220 - LKS - CANE RUN COMMERCIAL OPS	3	4	4	3	3	3	3	2
022230 022230 - LKS - MILL CREEK COMMERCIAL OPS	3	3	3	3	4	5	5	5
022240 022240 - LKS - TRIMBLE COUNTY COMMERCIAL OPS	3	3	3	3	2	4	3	3
022250 022250 - LKS - GHENT COMMERCIAL OPS	4	4	4	4	4	3	4	4
022260 022260 - LKS - EW BROWN COMMERCIAL OPS	3	3	3	3	3	3	3	3
022270 022270 - LKS - RIVERPORT COMMERCIAL OPS			1	2	3	3	4	4
022800 022800 - DIRECTOR - FUELS MANAGEMENT	6	5	6	6	6	6	6	6
022805 021035 - VP CUSTOMER SERVICES - SERVCO	2							
022810 022810 - DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	10	12	10	10	10	9	10	11
022970 022970 - GENERATION SYSTEM PLANNING	7	8	9	8	8	8	8	8
023000 023000 - VICE PRESIDENT - TRANSMISSION	1	1	1	2	2	2	2	2
023003 023003 - DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION			1	2	1	2	2	2
023005 023005 - DIR TRANS STRATEGY & PLANNING	2	2	2	2	2	2	2	2
023010 023010 - DIRECTOR - TRANSMISSION	1	1	2	2	2	2	2	2
023020 023020 - TRANSMISSION SYSTEM OPERATIONS	41	39	40	37	38	29	33	33
023025 023025 - TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS						12	12	12
023040 023040 - TRANSMISSION ENERGY MANAGEMENT SYSTEMS	9	8	8	9	9	9	10	10



026400 026400 - AUDIT SERVICES	12	13	14	9	12	12	13	13
026490 026490 - CHIEF INFORMATION OFFICER	2	1	2	2	3	2	3	3
026600 026600 - IT INFRASTRUCTURE AND OPERATIONS	4	4	6	6	7	7	7	7
026615 021073 - RESOURCE MANAGEMENT AND PROJECT SCHEDULING - LKS	5	10						
026625 026625 - TRANSPORT ENGINEERING	11	10	11	11	11	11	12	12
026630 026630 - DATA NETWORKING			11	12	13	11	16	16
026634 026634 - CLOSED DATA CENTER OPERATIONS	1	1	1					
026635 026635 - WORKSTATION ENGINEERING	15	14	8	8	14	15	14	14
026636 026636 - IT CIP INFRASTRUCTURE	8	11	10	10	11	11	12	12
026637 026637 - DATA CENTER OPERATIONS	10	10	18	18	20	25	24	24
026638 026638 - GLOBAL NOC			3	5	5	4	7	7
026645 026645 - UNIFIED COMMUNICATIONS AND COLLABORATION	18	20	6	9	9	15	9	9
026646 026646 - INFRASTRUCTURE SERVICES	19	15	21	18	17	19	18	18
026680 026680 - CLIENT SUPPORT SERVICES	2			6	2	2	2	2
026739 026739 - ENTERPRISE SECURITY			1					
026740 026740 - IT SECURITY AND RISK MANAGEMENT	2	2	2	2	4	3	3	3
026742 026742 - IT SECURITY	10	12	9	12	12	13	13	13
026744 026744 - IT SECURITY RISK MANAGEMENT	3	6	8	7	9	9	9	9
026760 026760 - IT TRAINING	4	5	5	4	4	5	5	5
026772 026772 - TECHNOLOGY SUPPORT CENTER	16	15	18	14	15	15	16	16
026774 026774 - DESKTOP OPERATIONS	16	14	14	12	15	16	17	17
026850 026850 - VP EXTERNAL AFFAIRS	4	4	3	3	4	5	4	4
026900 026900 - LEGAL DEPARTMENT - LKS	23	22	22	22	20	17	18	18
026905 026905 - COMPLIANCE DEPT	8	7	8	8	8	8	8	8
026910 026910 - GENERAL COUNSEL - LKS	2	2	1	2	2	2	2	2
026920 026920 - DIRECTOR - CORPORATE COMMUNICATION	4	4	5	4	4	4	4	4
026925 026925 - VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	6	6	6	6	6	6	6	6
026940 026940 - MANAGER EXTERNAL AND BRAND COMMUNICATION	15	15	14	16	18	17	18	18
027600 027600 - IT BUSINESS SERVICES	3	3	3	3	2	2	3	3
027610 027610 - IT PROJECT MANAGEMENT OFFICE	15	15	15	15	16	15	16	16
027620 027620 - IT BUSINESS ANALYSIS	15	15	13	15	13	13	14	14
027630 027630 - IT QUALITY ASSURANCE	3	4	4	4	4	4	4	4
027640 021076 - ASSET INFORMATION-LKS	7							

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 25**

**Responding Witness: Daniel K. Arbough / Christopher M. Garrett**

- Q-25. Refer to the breakdown of payroll dollars provided in response to AG-KIUC DR 1-42, which appears to combine the costs for LG&E's electric and gas operations. In the same format, provide a breakdown of payroll dollars between O&M expense, capital, and all other by department and in total separately for LG&E's electric and gas operations for each of the years 2015-2019, the forecasted base year and the forecasted test year.
- A-25. See attached.

Louisville Gas and Electric Company  
Breakdown of Payroll Dollars

Expenditure Org	Expenditure Org Description	Below the					Total
		Operating	Mechanism	Line	Other I/S	Capitalized	
		2015 Payroll Costs - Electric					
000020	LG&E AND KU SERVICES COMPANY CORPORATE	74,310	-	-	-	-	74,310
001075	TECH. AND SAFETY TRAINING DIST - LGE	29,294	-	-	-	-	29,294
001220	BUSINESS OFFICES - LGE	200,845	-	-	-	-	200,845
001280	METER READING - LGE	196,247	-	-	-	-	196,247
001295	FIELD SERVICE - LGE	1,547,331	-	1,689	-	165	1,549,186
001320	REVENUE PROTECTION - LGE	33,797	-	-	-	-	33,797
001345	METER SHOP LGE	482,485	-	1,606	-	184,940	679,031
002020	GENERATION SUPPORT - LGE	-	-	-	-	(9,740)	(13,507)
002041	LGE - CANE RUN 7 ALLOCATIONS	(1,895,106)	-	-	-	-	(1,895,106)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(135,849)	-	-	-	-	(135,849)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(447,816)	-	-	-	-	(447,816)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(6,562,427)	(28,443)	-	-	-	(6,590,869)
002060	CENT ENG/CONST MGMT	195,790	-	-	-	18,799	214,589
002120	OHIO FALLS	522,690	-	-	-	45,285	568,975
002130	CANE RUN CCGT - LGE	2,447,894	-	3,866	-	394,787	2,846,547
002320	MC-COMMON PLANT	8,119,872	(9,310)	1,088	-	304,676	6,418,326
002330	MC ENGINEERING AND TECHNICAL SERVICES	5,000	-	-	-	-	5,000
002340	MC COMMERCIAL OPERATIONS	172,079	-	212	-	-	332,057
002350	MC-LABORATORY	830,332	-	306	-	-	830,638
002401	GEN. MGR. MILL CREEK STATION	805,058	16,084	-	-	358	821,500
002480	MGR. MILL CREEK MAINTENANCE	1,659,310	649	-	-	31,949	1,691,908
002481	MILL CREEK MECHANICAL MAINTENANCE	2,306,725	147,761	644	-	16,645	2,471,775
002482	MILL CREEK I/E MAINTENANCE	2,105,043	113,229	1,810	-	141,906	2,362,560
002530	CR COMMERCIAL OPERATIONS	235,685	-	-	-	-	60,317
002603	FINC & BUDGTNG-POWER PROD LG&E	272,109	-	-	-	-	272,109
002650	GENERAL MANAGER - TC	357,341	4,897	-	-	84,453	446,691
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	110,655	-	-	-	-	131,182
002680	TC ENGINEERING AND TECHNICAL SERVICES	867,556	-	-	-	60,874	928,430
002710	TC-LABORATORY	552,971	-	-	-	-	552,971
002720	TC OPERATIONS	872,827	-	-	-	27,293	700,120
002730	TC OPER-A WATCH	1,096,883	-	1,469	-	50,140	1,138,491
002740	TC OPER-B WATCH	1,027,258	-	505	-	16,354	1,046,116
002750	TC OPER-C WATCH	1,126,780	-	369	-	4,028	1,131,177
002760	TC OPER-D WATCH	1,197,578	-	360	-	10,937	1,208,876
002770	TC-MAINTENANCE SVCS	1,218,124	-	-	-	2,583	1,220,707
002780	TC-MAINTENANCE I/E	2,641,177	19,401	3,718	-	49,693	2,713,989
002790	TC-MTCE MECHANICAL	1,888,723	41,603	1,648	-	5,362	1,937,335
002820	MC-MATERIAL HANDLING	1,156,181	324	-	-	-	1,156,515
002840	TC-MATERIAL HANDLING	483,938	-	-	-	2,198	486,136
003030	SUBSTATION OPS.	720,274	-	234	-	15,324	735,833
003060	TRANSMISSION SUBSTATION ENGINEERING - LG&E	-	-	-	-	(8,759)	(8,759)
003110	TRANSFORMERS SERVICES	281,478	-	-	-	136,904	427,339
003180	SC M LOUISVILLE	1,139,504	-	157	-	762,462	2,061,822
003185	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	(3,646)	-	-	-	15,268	11,622
003210	FORESTRY	136,983	-	-	-	277	137,260
003300	ELECTRIC CONSTRUCTION CREWS-ESC	1,860,809	-	2,364	-	1,597,328	3,694,991
003320	STREET LIGHTING-LGE	83	-	-	-	(83)	-
003385	LINE LOCATING	24,215	-	-	-	-	24,215
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,631,338	-	9,808	-	2,375,931	4,294,229
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	23,617	-	-	-	338,666	362,283
003430	NETWORK OPS. 3PH COMMERCIAL	420,484	-	1,518	-	1,767,898	2,214,218
003450	MANAGER ELECTRIC DISTRIBUTION	152,320	-	-	-	61,922	574,785
003470	PERFORMANCE METRICS	1,340	-	-	-	270,137	271,477
004010	MANAGER DISTRIBUTION DESIGN	745	-	-	-	293,844	375,148
004040	DISTRIBUTION DESIGN	102,122	-	-	-	670,874	1,288,058
004060	GAS DIST. CONTRACT CONSTRUCTION	21,433	-	-	-	64,452	85,888
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	-	4,685
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	17,552	-	718	-	1,840	34,016
004210	SVC DEL-MULDRAUGH	951	-	-	-	1,023	1,984
004280	GAS TROUBLE	35	-	-	-	-	35
004290	METER SHOP	996	-	216	-	-	1,212
004370	ASSET INFORMATION LGE	74,775	-	-	-	-	329,272
004380	GAS ENGINEERS	-	-	-	-	-	420,724
004385	TRANSMISSION INTEGRITY & COMPLIANCE	1,306	-	-	-	-	1,306
004450	CORROSION CONTROL	6,439	-	-	-	4,110	10,549
004470	MULDRAUGH STORAGE	4,002	-	1,567	-	249	5,818
004480	MAGNOLIA STORAGE	8,950	-	896	-	-	9,846
004485	MAGNOLIA DISTRIBUTION, FIELD AND TRANSMISSION	7,298	-	228	-	123	7,649
004510	SYSTEM REGULATION OPERATION	225	-	640	-	(1,102)	(237)
004560	GAS PROCUREMENT	-	-	-	-	13,479	13,479
004600	GAS REGULATORY SERVICES	20,054	-	-	-	8,530	28,584
005310	FACILITIES MTCE	133,680	-	-	-	553	134,234
006250	CORPORATE	(1,947,849)	-	(14,438)	-	(2,580)	53,958
006264	TC IMA/IMPA PARTNER ALLOCATION	(2,368,642)	(9,409)	-	-	-	2,264,388
009630	LGE - TELECOMMUNICATIONS	195,673	112	318	-	290,437	1,975
008820	LGE GENERATION CHARGES	(0)	-	-	-	-	(0)
008825	LGE GENERATION SERVICES CHARGES	(0)	-	-	-	2,143	2,143
008826	LGE FUELS CHARGES	(0)	-	-	-	-	(0)
008827	LGE PROJECT ENGINEERING CHARGES	0	-	-	-	-	0
008860	LGE OPERATING SERVICES CHARGES	-	-	-	-	336	336
008910	LGE IT CHARGES	(3,188)	-	-	-	25,467	22,279
010603	FINC & BUDGTNG-POWER PROD KU	6,066	-	-	-	-	6,066
011018	VEGETATION MANAGEMENT - KU	-	-	-	-	256	256
011050	EARLINGTON METER DEPT	-	-	-	-	587	587
011061	AREA 1	200	-	-	-	144	344
011062	AREA 2	93	-	-	-	-	93
011063	AREA 3	68	-	-	-	-	68
011064	AREA 4	148	-	-	-	-	148
011065	AREA 5	44	-	-	-	248	292
011066	AREA 6	21	-	-	-	-	21
011067	AREA 7	31	-	-	-	100	131
011068	AREA 8	33	-	-	-	364	397
011069	AREA 9	116	-	-	-	-	116
011071	AREA 11	10,596	-	-	-	-	10,596
011072	AREA 12	131	-	-	-	-	131
011090	SC AND M EARLINGTON	-	-	-	-	739	739
011580	EARLINGTON OPERATIONS CENTER	12,460	-	-	-	1,153	13,613
012050	SC AND M DANVILLE	-	-	-	-	2,000	2,000
012160	DANVILLE OPERATIONS CENTER	1,710	-	-	-	5,348	7,059
012360	RICHMOND OPERATIONS CENTER	-	-	-	-	467	467

Expenditure				Below the				
Org	Expenditure Org Description	Operating	Mechanism	Line	Other I/S	Capitalized	Other B/S	Total
012460	ELIZABETH-TOWN OPERATIONS CENTER	2,096	-	-	-	467	-	2,562
012560	SHELBYVILLE OPERATIONS CENTER	860	-	-	-	-	-	860
013040	SC AND M LEXINGTON	993	-	-	-	192	-	1,186
013150	LEXINGTON OPERATIONS CENTER	4,358	-	-	-	-	4,358	8,715
013660	MAYSVILLE OPERATIONS CENTER	-	-	-	-	2,314	-	2,314
013810	CLOSED 0620 - MANAGER - LEXINGTON OPERATIONS CENTER	16,010	-	-	-	14,238	-	30,248
014160	PINEVILLE OPERATIONS CENTER	39	-	-	-	397	-	436
014260	LONDON OPERATIONS CENTER	-	-	-	-	466	-	466
015730	GENERATION SUPPORT - KU	-	-	-	-	(13,707)	(386)	(14,095)
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	(74)	(74)	(74)
015970	KU - TELECOMMUNICATIONS	237,075	-	-	-	25,103	24	263,202
016230	EWB OPER / RESULTS	-	-	-	-	8,469	-	8,469
016300	EWB COMBUSTION TURBINE	-	-	-	-	387	-	387
016520	GHENT - SUPERINTENDENT	297	-	-	-	-	-	297
016680	GHENT - COAL COMBUSTION RESIDUALS	38	-	-	-	-	-	38
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	308,073	-	-	-	-	-	308,073
017660	NORTON OPERATIONS CENTER	-	-	-	-	588	-	588
018825	KU GENERATION SERVICES CHARGES	-	-	-	-	3,327	-	3,327
018810	KU IT CHARGES	4,684	-	-	-	(868)	-	3,796
021000	CHAIRMAN AND CEO	279,430	-	-	-	-	-	279,430
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	67,476	-	-	-	-	93,809	161,284
021020	DIRECTOR KU OPERATIONS	3,762	-	-	-	-	-	3,762
021035	VP CUSTOMER SERVICES - SERVCO	82,931	-	-	-	-	-	82,931
021055	VP ELECTRIC DISTRIBUTION - LKS	125,733	-	-	-	-	-	125,733
021070	DIRECTOR - ASSET MANAGEMENT	24,892	-	-	-	-	25,148	49,840
021071	SYSTEM ANALYSIS AND PLANNING - DIST	138,309	-	-	-	-	152,029	290,338
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	137,161	-	-	-	-	148,443	285,604
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	3,370	-	-	-	3,101	168,798	175,269
021075	ELECTRIC CODES AND STANDARDS	73,307	-	-	-	3,926	58,062	135,295
021076	ASSET INFORMATION-LKS	7,943	-	-	-	-	23,620	31,563
021080	DISTRIBUTION SYSTEM ADMINISTRATION	122,139	-	-	-	27,116	52,860	202,116
021204	CCS RETAIL SUPPORT	259,896	-	-	-	15,370	-	275,366
021205	RESIDENTIAL SERVICE CENTER	1,567,013	-	-	-	1,631	-	1,568,643
021220	BUSINESS OFFICES	105,558	-	-	-	-	-	105,559
021225	BUSINESS SERVICE CENTER	306,692	-	-	-	-	-	306,692
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	73,805	-	-	-	-	-	73,805
021251	COMPLAINTS AND INQUIRY	82,250	-	46	-	-	-	82,296
021280	MANAGER - METER READING	91,956	-	-	-	-	-	91,956
021315	MANAGER, FIELD SERVICE OPERATIONS	311,059	-	-	-	-	-	311,059
021320	MANAGER - METER ASSET MANAGEMENT - LKS	184,412	-	-	-	-	-	184,412
021325	DIRECTOR REVENUE COLLECTION	34,747	-	-	-	-	-	34,747
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	207,692	-	-	-	8,144	-	215,836
021330	MANAGER REMITTANCE AND COLLECTION	297,956	-	-	-	-	-	297,956
021331	REVENUE ASSURANCE	74,288	-	-	-	-	-	74,288
021335	FEDERAL REGULATION & POLICY	133,099	-	3,439	-	-	-	136,538
021360	MANAGER BUSINESS SERVICES	319,913	-	3,038	-	-	-	322,951
021370	DIRECTOR, SAP UPGRADE PROJECT	29,109	-	-	-	-	-	29,109
021390	MANAGER MARKETING	128,780	-	-	-	-	-	128,780
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	76,808	-	-	-	-	-	76,808
021415	MANAGER, SMART GRID STRATEGY	40,629	35,971	-	-	-	-	76,601
021420	ENERGY EFFICIENCY OPERATIONS	-	295,150	-	-	-	-	295,150
021440	VP STATE REGULATION AND RATES	497,669	-	-	-	-	-	497,669
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	66,234	-	-	-	-	-	66,234
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	11,774	115,725	-	-	-	-	127,498
021800	PRESIDENT AND COO	178,888	-	-	-	-	-	178,888
022025	GENERATION TURBINE GENERATOR SPECIALIST	259,920	-	-	-	27,068	-	286,988
022060	DIRECTOR - GENERATION SERVICES	86,415	-	-	-	-	-	86,415
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	270,373	-	-	-	-	-	270,373
022070	RESEARCH AND DEVELOPMENT	129,503	-	-	-	-	-	129,503
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	214,496	-	-	-	-	-	214,496
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	64,103	-	33	-	35,655	-	99,781
022110	MANAGER - GENERATION ENGINEERING	846,817	-	-	-	7,222	-	854,039
022200	VP - POWER GENERATION	292,886	-	-	-	7,725	14,269	314,880
022210	DIRECTOR, COMMERCIAL OPERATIONS	144,834	-	-	-	140	20,852	165,726
022220	LKS - CANE RUN COMMERCIAL OPS	51,420	-	-	-	-	18,071	69,491
022230	LKS - MILL CREEK COMMERCIAL OPS	64,776	-	-	-	-	63,336	128,111
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	146,083	-	-	-	-	103,302	249,385
022250	LKS - GHENT COMMERCIAL OPS	81,080	-	-	-	-	42,141	123,220
022260	LKS - EW BROWN COMMERCIAL OPS	68,058	-	-	-	-	20,993	89,051
022800	DIRECTOR - FUELS MANAGEMENT	278,947	-	-	-	-	-	278,947
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	424,107	7,242	-	-	-	-	431,349
022870	GENERATION SYSTEM PLANNING	237,833	-	-	-	-	-	237,833
023000	VICE PRESIDENT - TRANSMISSION	59,387	-	-	-	-	-	59,387
023005	DIR TRANS STRATEGY & PLANNING	76,079	-	-	-	-	-	76,079
023010	DIRECTOR - TRANSMISSION	78,255	-	-	-	-	-	78,255
023020	TRANSMISSION SYSTEM OPERATIONS	1,452,995	-	-	-	10,531	-	1,463,526
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	260,712	-	-	-	5,960	-	266,672
023050	TRANSMISSION STRATEGY & PLANNING	157,797	-	-	-	-	261,876	419,673
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	79,319	-	-	-	2,690	67,437	149,446
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	202,440	-	-	-	101,876	252,234	556,550
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	148,150	-	-	-	92,514	207,520	448,184
023070	MANAGER - TRANSMISSION LINES	128,573	-	-	-	145,378	317,765	591,717
023080	TRANS RELIABILITY & COMPLIANCE	115,298	-	-	-	-	-	115,298
023090	TRANSMISSION POLICY & TARIFFS	101,250	-	-	-	-	-	101,250
023110	TRANSFORMER SERVICES	11,536	-	-	-	43,817	-	55,153
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	30,536	-	-	-	6,109	47,084	83,789
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	46,553	-	-	-	-	41,854	88,406
023210	LKS - FORESTRY	66,891	-	-	-	139	-	67,030
023220	MGR SYSTEM RESTORATION AND OPERATIONS	877,942	-	-	-	239,043	374,290	1,491,274
023550	SUBSTATION ENGINEERING AND DESIGN	24,568	-	-	-	278,043	173,175	475,785
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	216,707	-	-	-	-	-	216,707
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	67,923	-	-	-	-	-	67,923
023815	SALES ANALYSIS & FORECASTING	147,994	-	-	-	-	-	147,994
025000	SVP HUMAN RESOURCES	155,888	-	-	-	-	-	155,888
025200	DIR - HUMAN RESOURCES	223,800	115	-	-	-	-	223,915
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	172,698	-	-	-	-	-	172,698
025270	INDUSTRIAL RELATIONS & HRIS	98,433	-	-	-	-	-	98,433
025300	DIRECTOR HR - CORPORATE	117,028	-	989	-	-	-	118,017
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	132,607	-	-	-	-	22,658	155,265
025420	CORPORATE PURCHASING	245,812	29,745	-	-	-	829	276,386
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	291,242	-	-	-	-	-	291,242
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	20,695	-	-	-	(503)	163,493	183,685
025460	MANAGER - SUPPLIER DIVERSITY	65,362	-	-	-	-	-	65,362
025470	SARBANES OXLEY	46,317	-	0	-	-	-	46,317

Expenditure									
Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total	
025500	DIRECTOR OPERATING SERVICES	80,582	-	-	-	-	-	80,582	
025510	CONTRACT MANAGER - XEROX CORP.	34,751	-	-	-	-	-	34,751	
025530	MANAGER TRANSPORTATION	-	-	-	-	-	103,207	103,207	
025550	MANAGER OFFICE FACILITIES	105,670	-	-	-	-	-	105,670	
025551	FACILITY OPERATIONS NORTH	27,845	-	-	-	-	-	27,845	
025552	FACILITY OPERATIONS CENTRAL	28,742	-	-	-	-	-	28,742	
025553	FACILITY OPERATIONS SOUTH	29,230	-	-	-	-	-	29,230	
025555	FACILITY OPERATIONS - LEXINGTON	27,170	-	-	-	-	-	27,170	
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	26,058	-	-	-	-	-	26,058	
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	135,594	-	-	-	15,563	139,794	290,951	
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	240,993	-	-	-	-	-	240,993	
025593	PROJECT PLANNING AND MANAGEMENT	87,575	-	-	-	34,089	285	121,949	
025594	CORPORATE FACILITY SERVICES	35,733	-	-	-	-	-	35,733	
025620	MANAGER HEALTH AND SAFETY	85,920	-	-	-	-	-	85,920	
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	496,349	-	-	-	-	-	496,349	
025660	STAFFING SERVICES	186,524	-	-	-	-	-	186,524	
025670	COMPENSATION/HR POLICY & COMPLIANCE	78,191	-	-	-	216	-	78,407	
025680	MANAGER BENEFITS AND RECORDS	111,955	-	-	-	61,841	-	173,796	
025700	DIRECTOR - HUMAN RESOURCES	260,030	-	164	-	-	-	260,194	
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	225,914	-	-	-	-	-	225,914	
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	225,984	-	-	-	-	5,830	230,914	
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	137,879	152	1,012	-	-	-	139,044	
025775	HRIS	110,525	-	-	-	6,743	-	117,268	
025780	MANAGER DIVERSITY STRATEGY	40,741	-	-	-	-	-	40,741	
026020	FINANCIAL PLANNING & BUDGETING	90,994	-	-	-	-	-	90,994	
026030	GENERATION, PE, AND SAFETY BUDGETING	284,523	-	-	-	105,301	422	390,246	
026045	DIRECTOR CORPORATE TAX	287,722	-	-	-	-	-	287,722	
026050	CFO	115,299	-	442	-	-	-	115,741	
026080	MANAGER REVENUE ACCOUNTING	212,419	-	-	-	-	-	212,419	
026120	MANAGER PROPERTY ACCOUNTING	284,695	-	-	-	-	-	284,695	
026130	CONTROLLER	91,358	-	-	-	-	-	91,358	
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	71,455	-	-	-	-	-	71,455	
026140	MANAGER - FINANCIAL PLANNING	185,621	-	-	-	-	-	185,621	
026145	SHARED SERVICES & CORPORATE BUDGETING	168,965	-	-	-	-	-	168,965	
026150	FINANCIAL ACCOUNTING AND ANALYSIS	153,444	-	-	-	187	-	153,631	
026155	FINANCIAL REPORTING	148,829	-	-	-	-	-	148,829	
026160	REGULATORY ACCOUNTING AND REPORTING	191,002	-	-	-	-	-	191,002	
026170	MANAGER - CUSTOMER ACCOUNTING	552,370	-	-	-	-	-	552,370	
026190	CORPORATE ACCOUNTING	152,567	-	-	-	-	-	152,567	
026200	SUPPLY CHAIN SUPPORT	337,151	-	-	-	593	-	337,744	
026310	MANAGER PAYROLL	134,161	-	-	-	2,342	-	136,503	
026330	TREASURER	94,010	-	-	-	-	-	94,010	
026350	RISK MANAGEMENT	87,966	-	-	-	112	-	88,078	
026370	CORPORATE FINANCE	149,254	-	-	-	-	-	149,254	
026390	CREDIT/CONTRACT ADMINISTRATION	106,996	-	-	-	457	-	107,452	
026400	AUDIT SERVICES	352,658	-	-	-	-	-	352,658	
026490	CHIEF INFORMATION OFFICER	66,369	-	-	-	-	-	66,369	
026492	SER IT CHARGES	-	-	-	-	(42,685)	-	(42,685)	
026496	IT SOURCE PROJECT CLEARING	-	-	-	-	(8,744)	-	(8,744)	
026600	IT INFRASTRUCTURE AND OPERATIONS	123,481	-	-	-	2,425	-	125,905	
026615	ARCHITECTURE AND ENGINEERING	649,800	-	-	-	94,272	61	744,133	
026625	TRANSPORT ENGINEERING	759,346	-	-	-	42,075	-	801,422	
026634	CLOSED DATA CENTER OPERATIONS	(204)	-	-	-	-	-	(204)	
026635	WORKSTATION ENGINEERING	707,324	-	-	-	74,439	162	781,925	
026636	IT CIP INFRASTRUCTURE	8,204	-	-	-	6,174	-	14,377	
026637	DATA CENTER OPERATIONS	24,426	-	-	-	2,382	-	26,809	
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	308,578	-	-	-	90,257	-	398,835	
026646	INFRASTRUCTURE SERVICES	38,326	-	-	-	856	-	39,182	
026680	CLIENT SUPPORT SERVICES	153,711	-	-	-	4,194	-	157,905	
026740	IT SECURITY AND RISK MANAGEMENT	84,592	-	-	-	-	-	84,592	
026742	IT SECURITY	265,752	-	-	-	15,119	-	280,871	
026744	IT SECURITY RISK MANAGEMENT	137,942	-	-	-	54,016	-	191,958	
026760	IT TRAINING	98,134	-	-	-	-	-	98,134	
026772	TECHNOLOGY SUPPORT CENTER	354,957	-	-	-	-	-	354,957	
026774	DESKTOP OPERATIONS	266,620	-	-	-	67,387	-	334,007	
026850	VP EXTERNAL AFFAIRS	866	-	129,019	-	-	-	129,885	
026900	LEGAL DEPARTMENT - LKS	857,728	-	5,859	-	81,095	-	944,681	
026905	COMPLIANCE DEPT	251,801	-	-	-	-	-	251,801	
026910	GENERAL COUNSEL - LKS	122,372	-	-	-	-	-	122,372	
026920	DIRECTOR - CORPORATE COMMUNICATION	120,607	-	-	-	-	-	120,607	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	184,941	-	-	-	-	-	184,941	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	393,362	-	-	-	5,404	-	401,766	
027600	IT BUSINESS SERVICES	90,657	-	-	-	-	-	90,657	
027610	IT PROJECT MANAGEMENT OFFICE	298,797	-	-	-	231,832	-	531,629	
027620	IT BUSINESS ANALYSIS	349,137	-	-	-	143,851	-	492,988	
027630	IT QUALITY ASSURANCE	40,799	-	-	-	38,754	-	79,553	
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	246,987	-	-	-	-	-	246,987	
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	52,263	-	-	-	-	-	52,263	
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	292,255	-	-	-	88,900	-	381,155	
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	229,203	-	2,971	-	140,217	-	372,390	
027830	IT CUSTOMER RELATIONSHIP AND BILLING	321,303	-	13,501	-	122,404	-	457,207	
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	289,515	-	-	-	173,662	-	463,177	
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	334,850	-	-	-	45,766	-	380,616	
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	308,448	-	-	-	104,962	-	413,410	
027870	IT DEVELOPMENT AND SUPPORT	26,255	-	-	-	-	-	26,255	
029640	SVP ENERGY SUPPLY AND ANALYSIS	94,107	-	-	-	-	-	94,107	
029660	DIRECTOR - POWER SUPPLY	908,369	-	-	-	-	-	908,369	
029750	PROJECT ENGINEERING	15,587	-	1,493	-	2,698,479	54,337	2,770,896	
029760	GENERATION SAFETY	127,850	-	-	-	-	-	127,850	
023810	CLOSED 01/20 - ECONOMIC ANALYSIS	161,315	-	-	-	-	-	161,315	
027000	CLOSED 06/19 - CHIEF ADMINISTRATIVE OFFICER - SERVCO	33,300	-	-	-	-	-	33,300	
027640	CLOSED 10/16 - MANAGER - IT SERVICE MANAGEMENT PROCESS	189,393	-	-	-	-	-	189,393	
002560	CR OPERATIONS	438,381	-	-	-	66,155	1,180	505,716	
022805	CORPORATE FUELS RISK MANAGEMENT	104,642	-	-	-	-	-	104,642	
023015	TRANSMISSION BALANCING AUTHORITY	1,700	-	-	-	-	-	1,700	
002030	G.M.-CANE RUN, OHIO FALLS AND CT	3,301,501	-	389,987	-	22,492	-	3,713,980	
002280	MGR. CANE RUN MAINTENANCE	206,572	-	-	-	62,840	-	269,413	
002281	CANE RUN MECHANICAL MAINTENANCE	182,591	-	-	-	21,374	-	203,965	
002282	CANE RUN I/E MAINTENANCE	356,179	-	-	-	14,308	-	370,487	
002510	CR-COMMON PLANT	1,457,866	-	-	-	10,707	-	1,468,573	
002540	CR-LABORATORY	185,311	-	-	-	25,633	-	210,944	
002830	CR-MATERIAL HANDLING	165,600	-	-	-	-	-	165,600	
003550	SUBSTATION ENGINEERING AND DESIGN	2,675	-	-	-	14,957	18,288	35,920	
008628	LGE COMMERCIAL OPERATIONS CHARGES	(0)	-	-	-	-	-	(0)	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
009910	LCC IT CHARGES	-	-	-	-	2,581	-	2,581
015160	CLOSED 10/16 - MIT-DIST SVCS AND CUST SVC	-	-	-	-	(6,558)	-	(6,558)
016006	KU TC2 ALLOCATION FROM TRIMBLE COUNTY	(30,492)	-	-	-	-	-	(30,492)
026480	INFORMATION TECHNOLOGY - ROLLUP	-	-	-	-	77,936	-	77,936
	<b>Total 2015 Electric Labor</b>	<b>70,625,896</b>	<b>797,353</b>	<b>559,155</b>	<b>-</b>	<b>15,827,190</b>	<b>10,762,406</b>	<b>98,872,002</b>
	<b>Total Off-Duty</b>	<b>10,630,630</b>	<b>153,466</b>	<b>31,284</b>	<b>-</b>	<b>2,515,276</b>	<b>1,535,273</b>	<b>14,865,929</b>
	<b>Total Employee Benefits</b>	<b>37,482,545</b>	<b>356,281</b>	<b>110,402</b>	<b>-</b>	<b>8,872,939</b>	<b>5,306,309</b>	<b>52,128,475</b>
	<b>Total Payroll Taxes</b>	<b>6,680,966</b>	<b>48,278</b>	<b>29,172</b>	<b>-</b>	<b>1,576,396</b>	<b>910,790</b>	<b>9,245,601</b>
	<b>Total 2015 Electric Payroll Costs</b>	<b>125,420,036</b>	<b>1,355,379</b>	<b>730,014</b>	<b>-</b>	<b>28,791,801</b>	<b>18,614,777</b>	<b>174,812,007</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2015 Payroll Costs - Gas</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	19,753	-	-	-	-	-	19,753
001220	BUSINESS OFFICES - LGE	164,328	-	-	-	-	-	164,328
001280	METER READING - LGE	160,566	-	-	-	-	-	160,566
001295	FIELD SERVICE - LGE	-	-	449	-	71	-	520
001320	REVENUE PROTECTION - LGE	27,652	-	-	-	-	-	27,652
001345	METER SHOP LGE	-	-	427	-	-	-	427
002130	CANE RUN CCGT - LGE	10,235	-	1,028	-	338	-	11,600
002320	MC-COMMON PLANT	-	-	289	-	6,486	-	6,786
002340	MC COMMERCIAL OPERATIONS	-	-	56	-	-	-	56
002401	GEN. MGR. MILL CREEK STATION	-	-	-	-	154	-	154
002481	MILL CREEK MECHANICAL MAINTENANCE	-	-	171	-	-	-	171
002482	MILL CREEK I/E MAINTENANCE	-	-	481	-	-	-	481
002720	TC OPERATIONS	-	-	-	-	391	-	391
002730	TC OPER-A WATCH	-	-	390	-	2,172	-	2,563
002740	TC OPER-B WATCH	-	-	134	-	3,446	-	3,580
002750	TC OPER-C WATCH	-	-	98	-	9	-	107
002760	TC OPER-D WATCH	13,945	-	96	-	3,046	-	17,087
002780	TC-MAINTENANCE I/E	-	-	988	-	-	-	988
002790	TC-MTCE MECHANICAL	-	-	438	-	-	-	438
002840	TC-MATERIAL HANDLING	-	-	-	-	818	-	818
003030	SUBSTATION OPS.	665	-	62	-	-	-	727
003160	SC M LOUISVILLE	1,095	-	42	-	31	-	1,168
003300	ELECTRIC CONSTRUCTION CREWS-ESC	230	-	628	-	665	-	1,523
003385	LINE LOCATING	24,215	-	-	-	-	-	24,215
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,505	-	2,607	-	518	-	4,630
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	-	-	-	-	129	-	129
003430	NETWORK OPS. 3PH COMMERCIAL	6,430	-	404	-	3,395	-	10,228
003470	PERFORMANCE METRICS	12,928	-	-	-	-	128,337	141,263
004010	MANAGER DISTRIBUTION DESIGN	38,987	-	-	-	57,148	-	40,613
004040	DISTRIBUTION DESIGN	-	-	-	-	470,888	10,269	481,157
004060	GAS DIST. CONTRACT CONSTRUCTION	41,455	-	-	-	1,584,647	-	1,626,102
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	76,510	-	-	-	51,221	34,025	161,756
004140	MANAGER - GAS CONSTRUCTION	-	-	-	-	573,828	13,000	586,828
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,684,689	226,116	191	-	2,024,198	35,240	3,950,434
004210	SVC DEL-MULDRAUGH	304,680	1,700	-	-	29,330	3,384	339,094
004220	SVC DEL-BARDSTOWN	184,130	7,610	-	-	55,093	-	246,833
004270	GAS DISPATCH	652,911	-	-	-	147,313	-	800,224
004280	GAS TROUBLE	1,226,332	7,937	-	-	67,575	-	1,301,843
004290	METER SHOP	100,394	-	57	-	168,766	-	269,218
004370	ASSET INFORMATION LGE	53,553	-	-	-	-	216,380	268,933
004380	GAS-ENGINEERS	189,621	-	-	-	66,472	180,310	436,403
004385	TRANSMISSION INTEGRITY & COMPLIANCE	559,310	-	-	-	38,921	-	598,231
004450	CORROSION CONTROL	817,704	-	-	-	80,053	-	897,757
004470	MULDRAUGH STORAGE	2,039,145	17,991	417	-	160,517	183,616	2,401,685
004475	DIR. GAS CONTROL AND STORAGE - LGE	54,704	-	-	-	-	53,066	107,770
004480	MAGNOLIA STORAGE	1,614,645	2,275	239	-	209,537	82,622	1,909,316
004485	MAGNOLIA DISTRIBUTION, FIELD AND TRANSMISSION	250,931	1,108	61	-	14,968	2,781	259,849
004490	GAS CONTROL	804,519	-	-	-	-	41,927	846,446
004500	INSTR. MEASUREMENT	562,042	-	-	-	101,542	-	663,584
004510	SYSTEM REGULATION OPERATION	1,211,937	-	170	-	101,828	46,380	1,360,315
004560	GAS PROCUREMENT	567,187	-	-	-	5,777	-	572,964
004600	GAS REGULATORY SERVICES	590,640	14,080	-	-	74,666	3,818	683,405
005310	FACILITIES MTCE	42,053	-	-	-	237	-	42,290
006250	CORPORATE	(517,763)	-	(3,838)	-	(1,110)	413,496	(109,234)
006830	LGE - TELECOMMUNICATIONS	77,403	-	85	-	65,219	-	142,707
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	145	-	145
008910	LGE IT CHARGES	(848)	-	-	-	10,926	-	10,078
010603	FINC & BUDGTNG-POWER PROD KU	1,612	-	-	-	-	-	1,612
011061	AREA 1	164	-	-	-	-	-	164
011063	AREA 3	(42)	-	-	-	-	-	(42)
011064	AREA 4	121	-	-	-	-	-	121
011065	AREA 5	36	-	-	-	-	-	36
011066	AREA 6	17	-	-	-	-	-	17
011067	AREA 7	26	-	-	-	-	-	26
011068	AREA 8	27	-	-	-	-	-	27
011069	AREA 9	95	-	-	-	-	-	95
011071	AREA 11	8,670	-	-	-	-	-	8,670
011072	AREA 12	107	-	-	-	-	-	107
011560	EARLINGTON OPERATIONS CENTER	-	-	-	-	494	-	494
012300	RICHMOND OPERATIONS CENTER	-	-	-	-	200	-	200
012480	ELIZABETHTOWN OPERATIONS CENTER	-	-	-	-	200	-	200
012560	SHELBYVILLE OPERATIONS CENTER	229	-	-	-	-	-	229
013040	SC AND M LEXINGTON	-	-	-	-	34	-	34
013680	MAYSVILLE OPERATIONS CENTER	-	-	-	-	992	-	992
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	-	-	-	-	575	-	575
014160	PINEVILLE OPERATIONS CENTER	17	-	-	-	170	-	187
014260	LONDON OPERATIONS CENTER	-	-	-	-	200	-	200
015970	KU - TELECOMMUNICATIONS	101,401	-	-	-	11,105	-	112,507
016230	EWB OPER / RESULTS	-	-	-	-	3,621	-	3,621
016300	EWB COMBUSTION TURBINE	-	-	-	-	33	-	33
017660	NORTON OPERATIONS CENTER	-	-	-	-	252	-	252
018910	KU IT CHARGES	1,240	-	-	-	(358)	-	882
021000	CHAIRMAN AND CEO	74,279	-	-	-	-	-	74,279
021020	DIRECTOR KU OPERATIONS	2,359	-	-	-	-	-	2,359
021035	VP CUSTOMER SERVICES - SERVCO	28,235	-	-	-	-	-	28,235
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	10,778	10,778
021076	ASSET INFORMATION-LKS	-	-	-	-	-	25,342	25,342
021080	DISTRIBUTION SYSTEM ADMINISTRATION	94,286	-	-	-	11,621	-	105,908
021204	CCS RETAIL SUPPORT	211,040	-	-	-	3,713	-	214,754
021205	RESIDENTIAL SERVICE CENTER	1,271,560	-	-	-	692	-	1,272,252
021220	BUSINESS OFFICES	86,749	-	-	-	-	-	86,749
021225	BUSINESS SERVICE CENTER	226,047	-	-	-	-	-	226,047
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	24,602	-	-	-	-	-	24,602
021251	COMPLAINTS AND INQUIRY	67,296	-	12	-	-	-	67,308
021280	MANAGER - METER READING	74,707	-	-	-	-	-	74,707
021325	DIRECTOR REVENUE COLLECTION	28,430	-	-	-	-	-	28,430
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	54,995	-	-	-	3,490	-	58,485
021330	MANAGER REMITTANCE AND COLLECTION	243,303	-	-	-	-	-	243,303
021331	REVENUE ASSURANCE	60,781	-	-	-	-	-	60,781
021335	FEDERAL REGULATION & POLICY	35,381	-	914	-	-	-	36,295
021360	MANAGER BUSINESS SERVICES	261,747	-	808	-	-	-	262,555
021370	DIRECTOR, SAP UPGRADE PROJECT	23,816	-	-	-	-	-	23,816
021390	MANAGER MARKETING	42,927	-	-	-	-	-	42,927

Expenditure									
Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total	
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	20,417	-	-	-	-	-	20,417	
021415	MANAGER, SMART GRID STRATEGY	10,800	-	-	-	-	-	11,009	
021420	ENERGY EFFICIENCY OPERATIONS	-	77,594	-	-	-	-	77,594	
021440	VP STATE REGULATION AND RATES	147,847	-	-	-	-	-	147,847	
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	14,041	-	-	-	-	-	14,041	
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	3,375	75,755	-	-	-	-	79,130	
021900	PRESIDENT AND COO	47,553	-	-	-	-	-	47,553	
022025	GENERATION TURBINE GENERATOR SPECIALIST	214	-	-	-	-	-	214	
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVC0	1,620	-	-	-	-	-	1,620	
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	145	-	-	-	-	-	145	
023020	TRANSMISSION SYSTEM OPERATIONS	-	-	-	-	4,513	-	4,513	
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	-	-	-	-	1,098	-	1,098	
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	-	-	-	-	1,153	-	1,153	
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	-	-	-	-	74	-	74	
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	616	-	-	-	-	-	616	
023220	MGR SYSTEM RESTORATION AND OPERATIONS	-	-	-	-	2,712	-	2,712	
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	57,606	-	-	-	-	-	57,606	
023600	ENERGY PLANNING ANALYSIS AND FORECASTING	18,056	-	-	-	-	-	18,056	
023815	SALES ANALYSIS & FORECASTING	39,340	-	-	-	-	-	39,340	
024000	VP - GAS DISTRIBUTION	255,526	-	-	-	-	7,294	262,821	
024475	GAS STORAGE, CONTROL AND COMPLIANCE	68,957	-	-	-	-	146,504	215,561	
025000	SVP HUMAN RESOURCES	41,438	-	-	-	-	-	41,438	
025200	DIR - HUMAN RESOURCES	59,491	-	31	-	-	-	59,522	
025270	INDUSTRIAL RELATIONS & HRIS	26,166	-	-	-	-	-	26,166	
025300	DIRECTOR HR - CORPORATE	31,109	-	263	-	-	-	31,371	
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	35,250	-	-	-	-	229	35,479	
025420	CORPORATE PURCHASING	65,343	22,052	-	-	-	-	87,395	
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	76,966	-	-	-	-	-	76,966	
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	5,501	-	-	-	(215)	126	5,412	
025460	MANAGER - SUPPLIER DIVERSITY	17,375	-	-	-	-	-	17,375	
025470	SARBANES OXLEY	12,312	-	-	-	-	-	12,312	
025500	DIRECTOR OPERATING SERVICES	21,420	-	-	-	-	-	21,420	
025510	CONTRACT MANAGER - XEROX CORP.	9,237	-	-	-	-	-	9,237	
025530	MANAGER TRANSPORTATION	-	-	-	-	-	21,139	21,139	
025550	MANAGER OFFICE FACILITIES	28,066	-	-	-	-	-	28,066	
025551	FACILITY OPERATIONS NORTH	7,402	-	-	-	-	-	7,402	
025552	FACILITY OPERATIONS CENTRAL	7,640	-	-	-	-	-	7,640	
025553	FACILITY OPERATIONS SOUTH	7,770	-	-	-	-	-	7,770	
025555	FACILITY OPERATIONS - LEXINGTON	7,222	-	-	-	-	-	7,222	
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	6,929	-	-	-	-	-	6,929	
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	35,735	-	-	-	-	137,269	173,005	
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	66,255	-	-	-	-	-	66,255	
025593	PROJECT PLANNING AND MANAGEMENT	23,557	-	-	-	41,688	-	65,545	
025594	CORPORATE FACILITY SERVICES	9,499	-	-	-	-	-	9,499	
025620	MANAGER HEALTH AND SAFETY	22,839	-	-	-	-	-	22,839	
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	131,281	-	-	-	-	-	131,281	
025660	STAFFING SERVICES	49,602	-	-	-	-	-	49,602	
025670	COMPENSATION/HR POLICY & COMPLIANCE	20,785	-	-	-	93	-	20,878	
025680	MANAGER BENEFITS AND RECORDS	29,760	-	-	-	26,503	-	56,263	
025700	DIRECTOR - HUMAN RESOURCES	69,122	-	44	-	-	-	69,165	
025730	GAS SAFETY AND TECHNICAL TRAINING	270,410	-	-	-	-	-	270,410	
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	36,651	-	269	-	-	-	36,921	
025775	HRIS	29,380	-	-	-	2,890	-	32,270	
025780	MANAGER DIVERSITY STRATEGY	10,830	-	-	-	-	-	10,830	
026020	FINANCIAL PLANNING & BUDGETING	24,188	-	-	-	-	-	24,188	
026030	GENERATION, PE, AND SAFETY BUDGETING	31,087	-	-	-	-	-	31,087	
026045	DIRECTOR CORPORATE TAX	76,483	-	-	-	-	-	76,483	
026050	CFO	30,649	-	118	-	-	-	30,767	
026080	MANAGER REVENUE ACCOUNTING	56,466	-	-	-	-	-	56,466	
026120	MANAGER PROPERTY ACCOUNTING	75,678	-	-	-	-	-	75,678	
026130	CONTROLLER	24,265	-	-	-	-	-	24,265	
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	18,994	-	-	-	-	-	18,994	
026140	MANAGER - FINANCIAL PLANNING	47,577	-	-	-	-	-	47,577	
026145	SHARED SERVICES & CORPORATE BUDGETING	44,741	-	-	-	-	-	44,741	
026150	FINANCIAL ACCOUNTING AND ANALYSIS	40,789	-	-	-	80	-	40,869	
026155	FINANCIAL REPORTING	39,562	-	-	-	-	-	39,562	
026160	REGULATORY ACCOUNTING AND REPORTING	50,773	-	-	-	-	-	50,773	
026170	MANAGER - CUSTOMER ACCOUNTING	451,632	-	-	-	-	-	451,632	
026190	CORPORATE ACCOUNTING	40,556	-	-	-	-	-	40,556	
026200	SUPPLY CHAIN SUPPORT	89,622	-	-	-	254	-	89,876	
026310	MANAGER PAYROLL	35,663	-	-	-	1,004	-	36,667	
026330	TREASURER	24,090	-	-	-	-	-	24,090	
026350	RISK MANAGEMENT	23,383	-	-	-	48	-	23,431	
026370	CORPORATE FINANCE	39,675	-	-	-	-	-	39,675	
026390	CREDIT/CONTRACT ADMINISTRATION	28,442	-	-	-	196	-	28,638	
026406	AUDIT SERVICES	93,745	-	-	-	-	-	93,745	
026496	CHIEF INFORMATION OFFICER	17,643	-	-	-	-	-	17,643	
026492	SER IT CHARGES	-	-	-	-	(18,293)	-	(18,293)	
026495	IT SOURCE PROJECT CLEARING	-	-	-	-	(3,747)	-	(3,747)	
026600	IT INFRASTRUCTURE AND OPERATIONS	32,696	-	-	-	898	-	33,594	
026615	ARCHITECTURE AND ENGINEERING	172,023	-	-	-	26,135	-	198,158	
026625	TRANSPORT ENGINEERING	201,331	-	-	-	16,616	-	218,549	
026634	CLOSED DATA CENTER OPERATIONS	(54)	-	-	-	-	-	(54)	
026635	WORKSTATION ENGINEERING	188,041	-	-	-	30,839	-	218,880	
026636	IT CIP INFRASTRUCTURE	2,181	-	-	-	2,646	-	4,827	
026637	DATA CENTER OPERATIONS	6,493	-	-	-	1,021	-	7,514	
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	81,948	-	-	-	36,867	-	118,815	
026646	INFRASTRUCTURE SERVICES	10,188	-	-	-	367	-	10,555	
026680	CLIENT SUPPORT SERVICES	40,860	-	-	-	1,797	-	42,657	
026740	IT SECURITY AND RISK MANAGEMENT	22,486	-	-	-	-	-	22,486	
026742	IT SECURITY	70,643	-	-	-	6,431	-	77,074	
026744	IT SECURITY RISK MANAGEMENT	36,668	-	-	-	23,150	-	59,818	
026760	IT TRAINING	26,088	-	-	-	-	-	26,088	
026772	TECHNOLOGY SUPPORT CENTER	94,356	-	-	-	-	-	94,356	
026774	DESKTOP OPERATIONS	71,094	-	-	-	28,880	-	99,975	
026850	VP EXTERNAL AFFAIRS	230	-	34,296	-	-	-	34,526	
026900	LEGAL DEPARTMENT - LKS	200,696	-	1,557	-	-	-	202,253	
026905	COMPLIANCE DEPT	66,934	-	-	-	-	-	66,934	
026910	GENERAL COUNSEL - LKS	32,529	-	-	-	-	-	32,529	
026920	DIRECTOR - CORPORATE COMMUNICATION	32,060	-	-	-	-	-	32,060	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	49,161	-	-	-	-	-	49,161	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	104,565	-	-	-	3,313	-	107,878	
027600	IT BUSINESS SERVICES	24,099	-	-	-	-	-	24,099	
027610	IT PROJECT MANAGEMENT OFFICE	79,693	-	-	-	94,205	-	173,898	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
027620	IT BUSINESS ANALYSIS	92,872	-	-	-	59,559	-	152,432
027630	IT QUALITY ASSURANCE	10,845	-	-	-	16,609	-	27,454
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	65,655	-	-	-	-	-	65,655
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	13,893	-	-	-	-	-	13,893
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	77,698	-	-	-	38,100	-	115,798
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	61,125	1,363	-	-	55,843	-	118,351
027830	IT CUSTOMER RELATIONSHIP AND BILLING	86,395	2,345	-	-	41,546	-	130,286
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	76,960	-	-	-	74,427	-	151,386
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	89,011	-	-	-	19,294	-	108,305
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	81,992	-	-	-	43,970	-	125,962
027870	IT DEVELOPMENT AND SUPPORT	6,979	-	-	-	-	-	6,979
029640	SVP ENERGY SUPPLY AND ANALYSIS	25,016	-	-	-	-	-	25,016
029750	PROJECT ENGINEERING	-	-	397	-	-	-	397
023810	CLOSED 01/20 - ECONOMIC ANALYSIS	42,881	-	-	-	-	-	42,881
027000	CLOSED 09/16 - CHIEF ADMINISTRATIVE OFFICER - SERVC0	8,852	-	-	-	-	-	8,852
027640	CLOSED 10/16 - MANAGER - IT SERVICE MANAGEMENT PROCESS	50,345	-	-	-	-	-	50,345
002560	CR OPERATIONS	83	-	-	-	-	-	83
008910	LCC IT CHARGES	-	-	-	-	1,106	-	1,106
015160	CLOSED 10/16 - MIT-DIST SVCS AND CUST SVC	-	-	-	-	(2,810)	-	(2,810)
026480	INFORMATION TECHNOLOGY - ROLLUP	-	-	-	-	33,401	-	33,401
<b>Total 2015 Gas Labor</b>		<b>22,480,635</b>	<b>458,156</b>	<b>44,879</b>	<b>-</b>	<b>6,932,678</b>	<b>1,838,044</b>	<b>31,754,292</b>
<b>Total Off-Duty</b>		<b>3,424,584</b>	<b>49,438</b>	<b>10,078</b>	<b>-</b>	<b>810,279</b>	<b>494,578</b>	<b>4,788,957</b>
<b>Total Employee Benefits</b>		<b>12,074,744</b>	<b>114,773</b>	<b>35,565</b>	<b>-</b>	<b>2,858,356</b>	<b>1,709,391</b>	<b>16,792,830</b>
<b>Total Payroll Taxes</b>		<b>2,152,227</b>	<b>15,552</b>	<b>9,398</b>	<b>-</b>	<b>507,825</b>	<b>293,405</b>	<b>2,978,407</b>
<b>Total 2015 Gas Payroll Costs</b>		<b>40,132,091</b>	<b>637,920</b>	<b>99,919</b>	<b>-</b>	<b>11,109,138</b>	<b>4,335,417</b>	<b>56,314,485</b>
<b>Total 2015 Electric and Gas Payroll Costs</b>		<b>165,552,127</b>	<b>1,993,299</b>	<b>829,933</b>	<b>-</b>	<b>39,900,939</b>	<b>22,850,194</b>	<b>231,126,492</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2016 Payroll Costs - Electric</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(82,708)	-	8,970	-	(315)	2,345	(81,709)
001075	TECH. AND SAFETY TRAINING DIST - LGE	32,242	-	-	-	-	-	32,242
001220	BUSINESS OFFICES - LGE	202,472	-	-	-	-	-	202,472
001290	METER READING - LGE	188,492	-	-	-	-	-	188,492
001295	FIELD SERVICE - LGE	1,490,483	-	1,715	-	-	-	1,492,197
001320	REVENUE PROTECTION - LGE	34,553	-	-	-	-	-	34,553
001345	METER SHOP LGE	663,686	-	1,394	-	128,854	-	793,933
002020	GENERATION SUPPORT - LGE	-	-	-	-	(0)	-	(0)
002041	LGE - CANE RUN 7 ALLOCATIONS	(3,551,498)	-	-	-	-	-	(3,551,498)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(150,696)	-	-	-	-	-	(150,696)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(432,174)	-	-	-	-	-	(432,174)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(7,149,560)	(12,524)	-	-	-	-	(7,162,084)
002060	CENT ENG/CONST MGMT	194,268	-	-	-	-	-	194,268
002120	OHIO FALLS	572,881	-	-	-	53,013	-	625,894
002130	CANE RUN CCGT - LGE	4,166,011	-	2,631	-	97	-	4,168,739
002320	MC-COMMON PLANT	7,976,443	1,750	2,826	-	246,203	-	8,227,221
002330	MC ENGINEERING AND TECHNICAL SERVICES	757,457	-	-	-	-	-	757,457
002340	MC COMMERCIAL OPERATIONS	169,587	-	-	-	-	340,377	509,964
002350	MC-LABORATORY	893,847	-	869	-	-	-	894,717
002401	GEN. MGR. MILL CREEK STATION	820,286	187	-	-	-	-	820,473
002480	MGR. MILL CREEK MAINTENANCE	1,468,644	3,191	-	-	2,354	(1,635)	1,472,555
002481	MILL CREEK MECHANICAL MAINTENANCE	2,170,435	247,054	466	-	29,874	-	2,447,830
002482	MILL CREEK I/E MAINTENANCE	2,340,547	159,227	3,571	-	94,352	-	2,597,698
002530	CR COMMERCIAL OPERATIONS	46,585	-	-	-	-	36,527	83,412
002603	FINC & BUDGTNG-POWER PROD LG&E	276,466	-	-	-	-	-	276,466
002650	GENERAL MANAGER - TC	445,799	-	-	-	15,297	-	461,096
002655	TRIMBLE COUNTY CTS	(35,272)	-	-	-	13,051	-	(22,222)
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	98,839	-	-	-	-	114,444	213,383
002680	TC ENGINEERING AND TECHNICAL SERVICES	787,434	-	-	-	30,669	-	818,103
002710	TC-LABORATORY	553,211	-	-	-	45	-	553,257
002720	TC OPERATIONS	737,507	-	-	-	11,251	-	748,759
002730	TC OPER-A WATCH	962,605	-	11,138	-	1,639	-	975,382
002740	TC OPER-B WATCH	1,158,120	-	235	-	2,018	-	1,160,373
002750	TC OPER-C WATCH	1,171,630	-	354	-	559	-	1,172,542
002760	TC OPER-D WATCH	1,225,885	-	-	-	671	-	1,226,556
002770	TC-MAINTENANCE SVCS	1,400,562	-	-	-	13,049	-	1,413,611
002780	TC-MAINTENANCE I/E	2,589,647	18,815	2,308	-	(1,713,607)	-	896,163
002790	TC-MTCE MECHANICAL	1,877,286	22,154	1,299	-	7,078	-	1,907,816
002820	MC-MATERIAL HANDLING	1,238,533	1,048	-	-	-	-	1,239,581
002840	TC-MATERIAL HANDLING	447,212	-	-	-	-	-	447,212
003030	SUBSTATION OPS	665,462	-	-	-	54,941	31,859	752,261
003070	LGE TRANSMISSION LINES	164	-	-	-	(649)	-	(485)
003110	TRANSFORMERS SERVICES	239,420	-	-	-	150,875	12,034	402,329
003160	SC M LOUISVILLE	1,211,572	-	-	-	699,179	154,530	2,065,281
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	-	-	-	-	195	-	195
003210	FORESTRY	142,074	-	-	-	674	-	142,748
003230	STORM RESTORATION	-	-	-	-	290	4,788	5,079
003300	ELECTRIC CONSTRUCTION CREWS-ESC	1,530,836	-	1,530	-	2,074,899	238,648	3,845,915
003385	LINE LOCATING	36,407	-	-	-	-	-	36,407
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,480,694	-	10,992	-	2,638,038	206,523	4,336,246
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	20,868	-	161	-	361,370	-	382,199
003430	NETWORK OPS. 3PH COMMERCIAL	400,797	-	2,448	-	1,857,176	31,574	2,291,992
003450	MANAGER ELECTRIC DISTRIBUTION	151,985	-	-	-	96,947	418,570	667,502
003470	PERFORMANCE METRICS	-	-	-	-	-	232,031	232,031
004010	MANAGER DISTRIBUTION DESIGN	6,737	-	-	-	67,820	81,368	135,724
004040	DISTRIBUTION DESIGN	73,741	-	1,872	-	737,810	543,936	1,357,258
004060	GAS DIST. CONTRACT CONSTRUCTION	4,152	-	-	-	141,903	-	146,055
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	865	3,055	3,720
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	6,959	-	474	-	9,160	-	16,593
004280	GAS TROUBLE	1,553	-	-	-	-	-	1,553
004290	METER SHOP	2,260	-	232	-	-	-	2,492
004370	ASSET INFORMATION LGE	77,762	-	-	-	-	322,076	399,838
004380	GAS-ENGINEERS	-	-	-	-	1,090	492,616	493,706
004450	CORROSION CONTROL	4,383	-	-	-	49,684	-	54,067
004470	MULDRAUGH STORAGE	6,315	-	1,424	-	721	-	8,460
004480	MAGNOLIA STORAGE	12,144	-	4,315	-	133	-	16,593
004490	GAS CONTROL	7,475	-	-	-	-	-	7,475
004500	INSTR., MEASUREMENT	2,715	-	-	-	23,035	-	25,749
004510	SYSTEM REGULATION OPERATION	1,327	-	295	-	6,761	-	8,383
004600	GAS REGULATORY SERVICES	16,935	-	-	-	16,170	-	33,104
005310	FACILITIES MTCE	112,313	-	-	-	369	-	112,682
006250	CORPORATE	(2,139,601)	-	(25,451)	-	-	2,152,982	(12,070)
006264	TC IMEA/MPA PARTNER ALLOCATION	(2,499,977)	(7,111)	-	-	-	2,403,168	(103,920)
006630	LGE - TELECOMMUNICATIONS	217,142	59	982	-	157,021	17	375,221
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	388	-	388
008910	LGE IT CHARGES	11,075	-	-	-	14,826	-	25,901
010603	FINC & BUDGTNG-POWER PROD KU	2,101	-	-	-	-	-	2,101
011066	AREA 6	230	-	-	-	-	-	230
011059	AREA 9	254	-	-	-	-	-	254
011071	AREA 11	278	-	-	-	319	-	597
012050	SC AND M DANVILLE	25	-	-	-	1,461	-	1,486
012160	DANVILLE OPERATIONS CENTER	-	-	-	-	1,969	1,782	3,751
012460	ELIZABETHTOWN OPERATIONS CENTER	-	-	-	-	7,787	-	7,787
013040	SC AND M LEXINGTON	488	-	-	-	1,188	18	1,694
013660	MAYSVILLE OPERATIONS CENTER	-	-	-	-	99	-	99
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	1,385	-	-	-	10,551	1,207	13,143
014160	PINEVILLE OPERATIONS CENTER	-	-	-	-	28	-	28
014370	ASSET INFORMATION - KU	-	-	-	-	6,942	-	6,942
014640	SC AND M PINEVILLE	310	-	-	-	6,116	-	6,426
015730	GENERATION SUPPORT - KU	-	-	-	-	(0)	-	(0)
015970	KU - TELECOMMUNICATIONS	248,513	-	-	-	50,143	603	299,260
016130	GREEN RIVER - OPERATIONS	30,291	-	-	-	-	-	30,291
016230	EWB OPER / RESULTS	-	-	-	-	172	-	172
018260	EWB E AND I MNTC	-	-	-	-	5,650	-	5,650
019650	GHEINT - OPERATIONS SHIFTS	-	-	-	-	556	-	556
019720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	273,998	-	-	-	-	-	273,998
017660	NORTON OPERATIONS CENTER	-	-	-	-	45	-	45
018910	KU IT CHARGES	7,109	-	-	-	19,450	-	26,559
021000	CHAIRMAN AND CEO	286,758	-	-	-	-	-	286,758
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	74,063	-	-	-	-	116,641	190,703
021020	DIRECTOR KU OPERATIONS	890	-	-	-	-	-	890
021035	VP CUSTOMER SERVICES - SERVCO	71,146	-	-	-	-	-	71,146

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
021055	VP ELECTRIC DISTRIBUTION - LKS	107,800	-	-	-	-	2,022	109,712
021070	DIRECTOR - ASSET MANAGEMENT	27,408	-	-	-	-	28,080	55,488
021071	SYSTEM ANALYSIS AND PLANNING - DIST	121,189	-	-	-	-	144,581	269,972
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	98,454	-	-	-	4,191	70,541	171,601
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	1,283	-	-	-	2,606	176,294	178,351
021075	ELECTRIC CODES AND STANDARDS	75,758	-	-	-	774	109,947	193,784
021076	ASSET INFORMATION-LKS	17,620	-	-	-	8,079	63,197	80,817
021080	DISTRIBUTION SYSTEM ADMINISTRATION	129,622	-	-	-	26,199	-	155,821
021204	CO'S RETAIL SUPPORT	191,330	-	-	-	260	-	191,590
021205	RESIDENTIAL SERVICE CENTER	1,699,139	-	-	-	655	-	1,699,794
021220	BUSINESS OFFICES	121,749	-	-	-	-	-	121,749
021225	BUSINESS SERVICE CENTER	292,566	-	-	-	-	-	292,566
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	79,846	-	-	-	-	-	79,846
021251	COMPLAINTS AND INQUIRY	81,751	-	-	0	-	-	81,751
021280	MANAGER - METER READING	91,700	-	-	-	-	-	91,700
021315	MANAGER, FIELD SERVICE OPERATIONS	341,076	-	758	-	-	-	341,834
021320	MANAGER - METER ASSET MANAGEMENT - LKS	202,564	-	-	-	-	-	202,564
021325	DIRECTOR REVENUE COLLECTION	33,719	-	-	-	-	-	33,719
021328	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	217,018	-	-	-	4,878	-	221,896
021330	MANAGER REMITTANCE AND COLLECTION	331,317	-	-	-	428	-	331,745
021331	REVENUE ASSURANCE	74,080	-	-	-	-	-	74,080
021335	FEDERAL REGULATION & POLICY	156,696	-	-	-	-	-	156,696
021360	MANAGER BUSINESS SERVICES	314,044	-	(283)	-	-	-	313,761
021370	DIRECTOR, SAP UPGRADE PROJECT	24,064	324	-	-	350,414	-	374,802
021390	MANAGER MARKETING	124,651	-	-	-	-	-	124,651
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	77,139	-	-	-	-	-	77,139
021415	MANAGER, SMART GRID STRATEGY	62,417	31,156	-	-	-	6,619	100,193
021420	ENERGY EFFICIENCY OPERATIONS	1,728	318,671	-	-	-	-	320,399
021440	VP STATE REGULATION AND RATES	524,833	-	-	-	-	-	524,833
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	75,287	-	-	-	-	-	75,287
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	2,113	132,313	-	-	-	-	134,427
021900	PRESIDENT AND COO	192,410	-	-	-	-	-	192,410
022025	GENERATION TURBINE GENERATOR SPECIALIST	440,877	-	-	-	6,113	-	446,990
022060	DIRECTOR - GENERATION SERVICES	139,208	-	188	-	-	373	139,767
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	365,144	-	-	-	-	-	365,144
022070	RESEARCH AND DEVELOPMENT	147,888	-	-	-	-	-	147,888
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	286,420	-	-	-	-	-	286,420
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	80,834	-	-	-	43,719	-	124,552
022110	MANAGER - GENERATION ENGINEERING	1,310,087	-	-	-	7,716	-	1,317,803
022200	VP - POWER GENERATION	439,205	-	-	-	91,152	33,150	563,507
022210	DIRECTOR, COMMERCIAL OPERATIONS	147,714	-	-	-	-	77,141	224,855
022220	LKS - CANE RUN COMMERCIAL OPS	55,344	-	-	-	-	130,892	186,235
022230	LKS - MILL CREEK COMMERCIAL OPS	90,517	-	-	-	-	109,706	200,223
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	70,244	-	-	-	-	146,786	217,030
022250	LKS - GHENT COMMERCIAL OPS	84,564	-	-	-	-	63,503	148,067
022280	LKS - EW BROWN COMMERCIAL OPS	84,387	-	-	-	-	37,953	122,341
022800	DIRECTOR - FUELS MANAGEMENT	223,978	-	-	-	-	-	223,978
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	815,818	7,233	-	-	-	-	823,051
022870	GENERATION SYSTEM PLANNING	365,031	-	-	-	-	-	365,031
023000	VICE PRESIDENT - TRANSMISSION	60,240	-	-	-	-	-	60,240
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	3,451	-	-	-	-	3,464	6,915
023005	DIR TRANS STRATEGY & PLANNING	53,826	-	-	-	-	26,161	79,987
023010	DIRECTOR - TRANSMISSION	31,683	-	-	-	-	26,089	57,772
023020	TRANSMISSION SYSTEM OPERATIONS	1,442,911	-	-	-	-	-	1,442,911
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	261,812	-	-	-	-	-	261,812
023050	TRANSMISSION STRATEGY & PLANNING	171,683	-	-	-	-	262,862	434,546
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	76,564	-	-	-	-	81,163	157,728
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	278,795	-	-	-	52,011	200,578	531,383
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	140,212	-	-	-	118,736	215,540	474,487
023070	MANAGER - TRANSMISSION LINES	109,541	-	-	-	121,228	421,223	652,491
023076	TRANSMISSION PROJECT MANAGEMENT	-	-	-	-	-	975	975
023080	TRANS RELIABILITY & COMPLIANCE	117,877	-	-	-	-	-	117,877
023090	TRANSMISSION POLICY & TARIFFS	106,068	-	-	-	-	-	106,068
023110	TRANSFORMER SERVICES	8,900	-	-	-	48,988	-	57,888
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	11,653	-	-	-	1,964	81,902	95,519
023200	01 DIRECTOR LGSE DISTRIBUTION OPS	48,001	-	-	-	-	40,402	88,402
023210	LKS - FORESTRY	70,275	-	-	-	-	-	70,275
023220	MGR SYSTEM RESTORATION AND OPERATIONS	959,668	-	-	-	304,107	387,811	1,651,586
023550	SUBSTATION ENGINEERING AND DESIGN	27,670	-	-	-	219,782	193,365	440,816
023840	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	240,718	-	-	-	-	-	240,718
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	63,870	-	-	-	-	-	63,870
023815	SALES ANALYSIS & FORECASTING	121,822	-	-	-	-	-	121,822
024475	GAS STORAGE, CONTROL AND COMPLIANCE	-	-	-	-	327	-	327
025000	SVP HUMAN RESOURCES	153,791	-	-	-	-	-	153,791
025200	DIR - HUMAN RESOURCES	207,584	-	-	-	-	-	207,584
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	249,588	-	-	-	-	-	249,588
025270	INDUSTRIAL RELATIONS & HRIS	93,436	-	-	-	-	-	93,436
025300	DIRECTOR HR - CORPORATE	121,881	-	-	-	-	-	121,881
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	131,466	-	-	-	-	31,175	162,641
025415	IT SOURCING AND CONTRACT MANAGEMENT	212,543	-	-	-	-	-	212,543
025420	CORPORATE PURCHASING	153,077	16,871	-	-	-	-	169,948
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	262,485	-	-	-	-	-	262,485
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	16,823	-	-	-	-	178,630	195,453
025460	MANAGER - SUPPLIER DIVERSITY	42,212	-	-	-	-	655	42,867
025470	SARBANES OXLEY	53,213	-	-	-	-	-	53,213
025500	DIRECTOR OPERATING SERVICES	82,398	-	-	-	-	-	82,398
025510	CONTRACT MANAGER - XEROX CORP.	35,829	-	-	-	-	-	35,829
025530	MANAGER TRANSPORTATION	-	-	-	-	-	107,026	107,026
025550	MANAGER OFFICE FACILITIES	111,979	-	-	-	541	161	112,681
025551	FACILITY OPERATIONS NORTH	29,849	-	-	-	-	-	29,849
025552	FACILITY OPERATIONS CENTRAL	29,365	-	-	-	-	-	29,365
025553	FACILITY OPERATIONS SOUTH	30,024	-	-	-	-	-	30,024
025555	FACILITY OPERATIONS - LEXINGTON	27,776	-	-	-	-	-	27,776
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	30,508	-	-	-	-	-	30,508
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	138,833	-	-	-	19,811	143,377	302,821
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	226,313	-	-	-	-	-	226,313
025593	PROJECT PLANNING AND MANAGEMENT	86,491	-	-	-	51,382	754	138,626
025594	CORPORATE FACILITY SERVICES	34,377	-	-	-	(477)	-	33,901
025620	MANAGER HEALTH AND SAFETY	88,766	-	-	-	-	-	88,766
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	510,452	-	-	-	-	-	510,452
025660	STAFFING SERVICES	206,428	-	-	-	-	-	206,428
025670	COMPENSATION/HR POLICY & COMPLIANCE	77,466	-	-	-	-	-	77,466
025680	MANAGER BENEFITS AND RECORDS	152,045	-	-	-	1,126	-	153,170
025700	DIRECTOR - HUMAN RESOURCES	229,233	-	-	-	-	-	229,233

Expenditure		Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
Org	Expenditure Org Description							
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	256,705	-	-	-	0	-	256,705
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	223,001	-	-	-	-	-	226,074
025730	GAS SAFETY AND TECHNICAL TRAINING	389	-	-	-	-	3,073	389
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	142,460	-	-	-	-	-	142,460
025775	HRIS	130,541	-	-	-	-	-	130,541
025780	MANAGER DIVERSITY STRATEGY	33,997	-	-	-	-	-	33,997
026020	FINANCIAL PLANNING & BUDGETING	102,479	-	-	-	-	-	102,479
026030	GENERATION, PE, AND SAFETY BUDGETING	249,027	-	-	-	-	-	249,027
026045	DIRECTOR CORPORATE TAX	275,974	-	-	-	129,919	2,708	381,554
026050	CFO	124,083	-	-	-	-	-	124,083
026080	MANAGER REVENUE ACCOUNTING	206,782	-	-	-	-	-	206,782
026120	MANAGER PROPERTY ACCOUNTING	288,674	-	-	-	-	-	288,674
026130	CONTROLLER	94,063	-	-	-	-	-	94,063
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	64,530	-	-	-	-	-	64,530
026140	MANAGER - FINANCIAL PLANNING	178,219	-	-	-	-	-	178,219
026145	SHARED SERVICES & CORPORATE BUDGETING	178,653	-	-	-	10,871	-	187,524
026150	FINANCIAL ACCOUNTING AND ANALYSIS	157,568	-	-	-	-	-	157,568
026155	FINANCIAL REPORTING	153,615	-	-	-	-	-	153,615
026160	REGULATORY ACCOUNTING AND REPORTING	208,178	-	-	-	-	-	208,178
026170	MANAGER - CUSTOMER ACCOUNTING	530,488	-	-	-	620	-	531,108
026190	CORPORATE ACCOUNTING	168,249	-	-	-	-	-	168,249
026200	SUPPLY CHAIN SUPPORT	299,668	-	-	-	-	-	299,668
026310	MANAGER PAYROLL	139,396	-	-	-	-	-	139,396
026330	TREASURER	98,507	-	-	-	-	-	98,507
026350	RISK MANAGEMENT	77,569	-	-	-	-	-	77,569
026370	CORPORATE FINANCE	136,161	-	-	-	-	-	136,161
026390	CREDIT/CONTRACT ADMINISTRATION	102,403	-	-	-	-	-	102,403
026400	AUDIT SERVICES	333,621	-	314	-	-	-	333,934
026480	CHIEF INFORMATION OFFICER	147,700	-	-	-	-	-	147,700
026492	SER IT CHARGES	16	-	-	-	(35,918)	-	(35,903)
026496	IT SOURCE PROJECT CLEARING	-	-	-	-	(11,338)	-	(11,338)
026600	IT INFRASTRUCTURE AND OPERATIONS	90,749	-	-	-	14,782	-	105,531
026615	ARCHITECTURE AND ENGINEERING	237,669	-	-	-	15,290	-	252,959
026625	TRANSPORT ENGINEERING	283,717	-	-	-	77,588	118	361,422
026634	CLOSED DATA CENTER OPERATIONS	32,598	-	-	-	-	-	32,598
026635	WORKSTATION ENGINEERING	380,685	-	-	-	44,111	-	424,795
026636	IT CIP INFRASTRUCTURE	270,508	-	-	-	17,464	-	287,972
026637	DATA CENTER OPERATIONS	390,893	-	-	-	22,635	-	413,527
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	635,275	-	-	-	32,467	171	667,914
026646	INFRASTRUCTURE SERVICES	527,309	-	-	-	85,454	-	612,762
026680	CLIENT SUPPORT SERVICES	65,566	-	-	-	446	-	66,013
026740	IT SECURITY AND RISK MANAGEMENT	94,454	-	-	-	-	-	94,454
026742	IT SECURITY	368,080	-	-	-	27,766	-	395,848
026744	IT SECURITY RISK MANAGEMENT	139,854	-	-	-	26,472	-	166,326
026760	IT TRAINING	96,437	-	-	-	75	-	96,512
026772	TECHNOLOGY SUPPORT CENTER	363,577	-	-	-	15,394	-	378,972
026774	DESKTOP OPERATIONS	255,702	-	-	-	71,485	51	327,238
026850	VP EXTERNAL AFFAIRS	-	-	152,792	-	-	-	152,792
026900	LEGAL DEPARTMENT - LKS	915,802	-	7,418	-	114,662	-	1,037,883
026905	COMPLIANCE DEPT	259,657	-	-	-	-	-	259,657
026910	GENERAL COUNSEL - LKS	124,057	-	-	-	-	-	124,057
026920	DIRECTOR - CORPORATE COMMUNICATION	116,739	-	-	-	-	-	116,739
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	191,012	-	-	-	-	-	191,012
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	420,000	-	-	-	-	-	420,000
027600	IT BUSINESS SERVICES	107,982	-	-	-	2,801	-	110,783
027610	IT PROJECT MANAGEMENT OFFICE	313,791	-	-	-	211,357	12,328	537,476
027620	IT BUSINESS ANALYSIS	348,932	-	-	-	155,117	-	504,049
027630	IT QUALITY ASSURANCE	52,626	-	-	-	46,576	-	99,202
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	239,614	-	-	-	-	-	239,614
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	67,985	-	-	-	3,018	4,884	75,887
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	310,921	-	-	-	85,336	-	396,256
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	226,754	-	-	-	133,942	-	360,696
027830	IT CUSTOMER RELATIONSHIP AND BILLING	178,861	17,877	-	-	199,175	7,720	403,633
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	307,694	-	-	-	120,851	212	428,747
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	362,890	-	-	-	34,084	-	396,974
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	305,292	-	-	-	162,647	-	467,939
027870	IT DEVELOPMENT AND SUPPORT	37,881	-	-	-	51,267	3,879	93,027
029640	SVP ENERGY SUPPLY AND ANALYSIS	87,198	-	-	-	-	-	87,198
029680	DIRECTOR - POWER SUPPLY	875,976	-	-	-	-	-	875,976
029750	PROJECT ENGINEERING	35,814	-	-	-	2,764,190	36,194	2,836,198
029760	GENERATION SAFETY	178,974	-	-	-	-	-	178,974
023810	CLOSED 01/20 - ECONOMIC ANALYSIS	75,361	-	-	-	-	-	75,361
027640	CLOSED 10/16 - MANAGER - IT SERVICE MANAGEMENT PROCESS	3,143	-	-	-	-	-	3,143
092560	CR OPERATIONS	51,913	-	-	-	29,546	-	81,458
022805	CORPORATE FUELS RISK MANAGEMENT	2,125	-	-	-	-	-	2,125
092030	G.M.-CANE RUN, OHIO FALLS AND CT	2,680	-	6,600	-	-	-	9,280
092280	MGR. CANE RUN MAINTENANCE	10,811	-	-	-	39,415	-	50,226
092590	TRIMBLE COUNTY 2 CONSTRUCTION - LG	-	-	-	-	818,527	-	919,527
098834	LGE - GHENT COMMERCIAL OPS	(9,812)	-	-	-	-	9,812	(0)
098835	LGE - BROWN COMMERCIAL OPS	(24,040)	-	-	-	-	24,040	(0)
099910	LCC IT CHARGES	221	-	-	-	-	-	221
015795	TRIMBLE COUNTY 2 CONSTRUCTION - KU	-	-	-	-	801,885	-	801,885
008965	LGE - FED REGULATORY CHARGES	134,380	-	-	-	-	-	134,380
<b>Total 2016 Electric Labor</b>		<b>65,471,685</b>	<b>958,295</b>	<b>204,934</b>	<b>-</b>	<b>16,117,702</b>	<b>11,631,369</b>	<b>94,383,985</b>
<b>Total Off-Duty</b>		<b>10,426,158</b>	<b>177,451</b>	<b>35,145</b>	<b>-</b>	<b>2,554,723</b>	<b>1,631,937</b>	<b>14,825,415</b>
<b>Total Employee Benefits</b>		<b>31,153,219</b>	<b>337,873</b>	<b>119,867</b>	<b>-</b>	<b>7,623,779</b>	<b>4,906,665</b>	<b>44,141,402</b>
<b>Total Payroll Taxes</b>		<b>6,177,179</b>	<b>51,405</b>	<b>20,578</b>	<b>-</b>	<b>1,609,974</b>	<b>941,206</b>	<b>8,800,341</b>
<b>Total 2016 Electric Payroll Costs</b>		<b>113,228,240</b>	<b>1,525,023</b>	<b>380,525</b>	<b>-</b>	<b>27,906,178</b>	<b>19,111,177</b>	<b>162,151,143</b>

Expenditure Org	Expenditure Org Description	2016 Payroll Costs - Gas							Total
		Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S		
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(26,148)	-	2,530	-	(135)	-	(23,754)	
001220	BUSINESS OFFICES - LGE	159,085	-	-	-	-	-	159,085	
001280	METER READING - LGE	148,101	-	-	-	-	-	148,101	
001295	FIELD SERVICE - LGE	-	-	484	-	-	-	484	
001320	REVENUE PROTECTION - LGE	27,148	-	-	-	-	-	27,148	
001345	METER SHOP LGE	-	-	393	-	-	-	393	
002130	CANE RUN COGT - LGE	-	-	742	-	-	-	742	
002320	MC-COMMON PLANT	-	-	797	-	415	-	1,212	
002350	MC-LABORATORY	-	-	245	-	-	-	245	
002461	MILL CREEK MECHANICAL MAINTENANCE	-	-	132	-	-	-	132	
002482	MILL CREEK I/E MAINTENANCE	-	-	1,007	-	-	-	1,007	
002730	TC OPER-A WATCH	-	-	3,141	-	555	-	3,697	
002740	TC OPER-B WATCH	-	-	66	-	865	-	931	
002750	TC OPER-C WATCH	-	-	100	-	-	-	100	
002760	TC OPER-D WATCH	14,767	-	-	-	-	-	14,767	
002780	TC-MAINTENANCE I/E	-	-	651	-	-	-	651	
002790	TC-MTCE MECHANICAL	-	-	386	-	-	-	386	
003160	SC M LOUISVILLE	1,085	-	-	-	430	534	2,048	
003300	ELECTRIC CONSTRUCTION CREWS-ESC	220	-	432	-	1,206	-	1,857	
003385	LINE LOCATING	36,407	-	-	-	-	-	36,407	
003400	ELECTRIC CONSTRUCTION CREWS-AOC	2,889	-	3,100	-	202	-	6,191	
003430	NETWORK OPS. 3PH COMMERCIAL	1,062	-	180	-	3,372	-	4,614	
003470	PERFORMANCE METRICS	12,300	-	-	-	-	117,776	130,076	
004010	MANAGER DISTRIBUTION DESIGN	22,925	-	-	-	51,491	8,279	82,695	
004040	DISTRIBUTION DESIGN	24,298	-	-	-	492,405	53,537	570,240	
004060	GAS DIST. CONTRACT CONSTRUCTION	25,851	-	-	-	1,570,105	-	1,595,957	
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	109,357	-	-	-	55,252	38,754	201,362	
004140	MANAGER, GAS CONSTRUCTION	1,188	-	-	-	586,937	60,419	648,544	
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,562,552	278,848	134	-	2,130,489	52,696	4,024,719	
004210	SVC DEL-MULDRAUGH	5,888	-	-	-	-	-	5,888	
004220	SVC DEL-BARDSTOWN	193,950	17,722	-	-	82,393	-	294,065	
004270	GAS DISPATCH	636,709	-	-	-	145,086	-	781,795	
004280	GAS TROUBLE	1,387,894	15,544	-	-	91,468	-	1,495,006	
004290	METER SHOP	89,854	-	65	-	193,620	-	283,540	
004370	ASSET INFORMATION LGE	55,096	-	-	-	-	205,928	261,023	
004380	GAS-ENGINEERS	96,857	-	-	-	64,494	211,121	372,472	
004385	TRANSMISSION INTEGRITY & COMPLIANCE	585,678	-	-	-	6,661	20,729	613,068	
004450	CORROSION CONTROL	791,509	-	-	-	42,803	-	834,311	
004470	MULDRAUGH STORAGE	2,384,117	13,396	1,850	-	310,991	90,129	2,800,483	
004475	DIR. GAS CONTROL AND STORAGE - LGE	55,311	-	-	-	-	51,583	106,894	
004480	MAGNOLIA STORAGE	1,907,614	958	1,217	-	148,233	56,499	2,114,522	
004490	GAS CONTROL	816,232	-	-	-	-	48,934	865,166	
004500	INSTR., MEASUREMENT	479,237	-	-	-	132,762	-	612,000	
004510	SYSTEM REGULATION OPERATION	1,081,969	-	83	-	163,129	41,593	1,286,774	
004560	GAS PROCUREMENT	619,160	-	-	-	-	-	619,160	
004600	GAS REGULATORY SERVICES	666,823	2,467	-	-	83,493	3,940	756,822	
005310	FACILITIES MTCE	31,859	-	-	-	158	-	32,117	
006250	CORPORATE	(603,318)	-	(7,178)	-	-	-	(137,890)	
006630	LGE - TELECOMMUNICATIONS	89,852	17	277	-	49,788	-	138,933	
008890	LGE OPERATING SERVICES CHARGES	-	-	-	-	166	-	166	
008910	LGE IT CHARGES	3,124	-	-	-	6,354	-	9,478	
010603	FINC & BUDGTNG-POWER PROD KU	593	-	-	-	-	-	593	
011066	AREA 6	181	-	-	-	-	-	181	
011069	AREA 9	199	-	-	-	-	-	199	
011071	AREA 11	218	-	-	-	137	-	355	
012050	SC AND M DANVILLE	-	-	-	-	29	-	29	
012460	ELIZABETHTOWN OPERATIONS CENTER	-	-	-	-	3,281	-	3,281	
013660	MAYSVILLE OPERATIONS CENTER	-	-	-	-	43	-	43	
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	-	-	-	-	3,645	-	3,645	
014180	PINEVILLE OPERATIONS CENTER	-	-	-	-	12	-	12	
014370	ASSET INFORMATION - KU	-	-	-	-	2,975	-	2,975	
014940	SC AND M PINEVILLE	17	-	-	-	-	-	17	
015970	KU - TELECOMMUNICATIONS	106,419	-	-	-	18,421	-	124,841	
016230	EWB OPER / RESULTS	-	-	-	-	74	-	74	
016650	GHEINT - OPERATIONS SHIFTS	-	-	-	-	238	-	238	
017680	NORTON OPERATIONS CENTER	-	-	-	-	19	-	19	
018910	KU IT CHARGES	2,005	-	-	-	8,336	-	10,341	
021000	CHAIRMAN AND CEO	80,881	-	-	-	-	-	80,881	
021020	DIRECTOR KU OPERATIONS	699	-	-	-	-	-	699	
021035	VP CUSTOMER SERVICES - SERVCO	40,192	-	-	-	-	-	40,192	
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	12,034	12,034	
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	-	-	-	-	1,117	-	1,117	
021075	ELECTRIC CODES AND STANDARDS	-	-	-	-	3,462	-	3,462	
021076	ASSET INFORMATION-LKS	-	-	-	-	-	40,854	40,854	
021080	DISTRIBUTION SYSTEM ADMINISTRATION	187,005	-	-	-	11,228	-	198,233	
021204	CCS RETAIL SUPPORT	149,928	-	-	-	104	-	150,031	
021205	RESIDENTIAL SERVICE CENTER	1,330,482	-	-	-	281	-	1,330,762	
021220	BUSINESS OFFICES	95,660	-	-	-	-	-	95,660	
021225	BUSINESS SERVICE CENTER	204,310	-	-	-	-	-	204,310	
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	23,054	-	-	-	-	-	23,054	
021251	COMPLAINTS AND INQUIRY	64,233	-	0	-	-	-	64,233	
021280	MANAGER - METER READING	72,026	-	-	-	-	-	72,026	
021315	MANAGER, FIELD SERVICE OPERATIONS	-	-	214	-	-	-	214	
021325	DIRECTOR REVENUE COLLECTION	26,440	-	-	-	-	-	26,440	
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	61,210	-	-	-	2,091	-	63,301	
021330	MANAGER REMITTANCE AND COLLECTION	259,859	-	-	-	183	-	260,042	
021331	REVENUE ASSURANCE	58,206	-	-	-	-	-	58,206	
021335	FEDERAL REGULATION & POLICY	44,196	-	-	-	-	-	44,196	
021360	MANAGER BUSINESS SERVICES	246,365	-	(80)	-	-	-	246,285	
021370	DIRECTOR, SAP UPGRADE PROJECT	18,742	-	-	-	150,177	-	168,920	
021390	MANAGER MARKETING	35,158	-	-	-	-	-	35,158	
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENC	21,757	-	-	-	-	-	21,757	
021415	MANAGER, SMART GRID STRATEGY	17,605	-	-	-	-	2,837	20,442	
021420	ENERGY EFFICIENCY OPERATIONS	492	67,852	-	-	-	-	68,344	
021440	VP STATE REGULATION AND RATES	184,852	-	-	-	-	-	184,852	

Expenditure Org	Expenditure Org Description	Below the					Total
		Operating	Mechanism	Line	Other I/S	Capitalized	
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	16,332	-	-	-	-	16,332
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	766	140,405	-	-	-	141,171
021900	PRESIDENT AND COO	54,270	-	-	-	-	54,270
022080	DIRECTOR - GENERATION SERVICES	-	-	52	-	-	52
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	1,585	-	-	-	-	1,585
022970	GENERATION SYSTEM PLANNING	3,885	-	-	-	-	3,885
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	358	-	-	-	-	358
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	-	77	77
023220	MGR SYSTEM RESTORATION AND OPERATIONS	-	-	-	-	64	64
023550	SUBSTATION ENGINEERING AND DESIGN	-	-	-	-	25	25
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	67,895	-	-	-	-	67,895
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	15,259	-	-	-	-	15,259
023815	SALES ANALYSIS & FORECASTING	34,360	-	-	-	-	34,360
024000	VP - GAS DISTRIBUTION	274,424	-	-	-	-	274,424
024475	GAS STORAGE, CONTROL AND COMPLIANCE	76,480	-	-	-	151,182	227,662
025000	SVP HUMAN RESOURCES	43,377	-	-	-	-	43,377
025200	DIR - HUMAN RESOURCES	58,549	-	-	-	-	58,549
025270	INDUSTRIAL RELATIONS & HRIS	26,354	-	-	-	-	26,354
025300	DIRECTOR HR - CORPORATE	34,377	-	-	-	-	34,377
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	37,080	-	-	-	315	37,395
025415	IT SOURCING AND CONTRACT MANAGEMENT	59,948	-	-	-	-	59,948
025420	CORPORATE PURCHASING	43,176	13,581	-	-	-	56,756
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	74,034	-	-	-	-	74,034
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	4,745	-	-	-	284	5,029
025460	MANAGER - SUPPLIER DIVERSITY	10,967	-	-	-	-	10,967
025470	SARBANES OXLEY	15,009	-	-	-	-	15,009
025500	DIRECTOR OPERATING SERVICES	23,240	-	-	-	-	23,240
025510	CONTRACT MANAGER - XEROX CORP.	10,108	-	-	-	-	10,108
025530	MANAGER TRANSPORTATION	-	-	-	-	-	23,494
025550	MANAGER OFFICE FACILITIES	31,584	-	-	-	123	31,706
025551	FACILITY OPERATIONS NORTH	8,419	-	-	-	-	8,419
025552	FACILITY OPERATIONS CENTRAL	8,282	-	-	-	-	8,282
025553	FACILITY OPERATIONS SOUTH	8,468	-	-	-	-	8,468
025555	FACILITY OPERATIONS - LEXINGTON	7,834	-	-	-	-	7,834
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	8,605	-	-	-	-	8,605
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	39,440	-	-	-	143,357	182,796
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	63,832	-	-	-	-	63,832
025593	PROJECT PLANNING AND MANAGEMENT	21,708	-	-	-	16,002	37,710
025594	CORPORATE FACILITY SERVICES	9,696	-	-	-	(204)	9,492
025620	MANAGER HEALTH AND SAFETY	25,037	-	-	-	-	25,037
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	143,738	-	-	-	-	143,738
025660	STAFFING SERVICES	58,223	-	-	-	-	58,223
025670	COMPENSATION/HR POLICY & COMPLIANCE	21,849	-	-	-	-	21,849
025680	MANAGER BENEFITS AND RECORDS	42,884	-	-	-	482	43,367
025700	DIRECTOR - HUMAN RESOURCES	64,655	-	-	-	-	64,655
025730	GAS SAFETY AND TECHNICAL TRAINING	398,771	-	-	-	217	398,989
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	40,181	-	-	-	-	40,181
025775	HRIS	36,819	-	-	-	-	36,819
025780	MANAGER DIVERSITY STRATEGY	9,589	-	-	-	-	9,589
026020	FINANCIAL PLANNING & BUDGETING	28,904	-	-	-	-	28,904
026030	GENERATION, PE, AND SAFETY BUDGETING	69,607	-	-	-	-	69,607
026045	DIRECTOR CORPORATE TAX	77,839	-	-	-	-	77,839
026050	CFO	34,998	-	-	-	-	34,998
026080	MANAGER REVENUE ACCOUNTING	58,323	-	-	-	-	58,323
026120	MANAGER PROPERTY ACCOUNTING	81,421	-	-	-	-	81,421
026130	CONTROLLER	26,531	-	-	-	-	26,531
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	18,201	-	-	-	-	18,201
026140	MANAGER - FINANCIAL PLANNING	50,267	-	-	-	-	50,267
026145	SHARED SERVICES & CORPORATE BUDGETING	49,825	-	-	-	4,017	53,842
026150	FINANCIAL ACCOUNTING AND ANALYSIS	44,442	-	-	-	-	44,442
026155	FINANCIAL REPORTING	43,327	-	-	-	-	43,327
026160	REGULATORY ACCOUNTING AND REPORTING	58,717	-	-	-	-	58,717
026170	MANAGER - CUSTOMER ACCOUNTING	416,812	-	-	-	266	417,078
026190	CORPORATE ACCOUNTINGS	47,455	-	-	-	-	47,455
026200	SUPPLY CHAIN SUPPORT	84,578	-	-	-	-	84,578
026310	MANAGER PAYROLL	39,317	-	-	-	-	39,317
026330	TREASURER	27,784	-	-	-	-	27,784
026350	RISK MANAGEMENT	21,878	-	-	-	-	21,878
026370	CORPORATE FINANCE	38,404	-	-	-	-	38,404
026390	CREDIT/CONTRACT ADMINISTRATION	28,883	-	-	-	-	28,883
026400	AUDIT SERVICES	84,088	-	88	-	-	84,187
026490	CHIEF INFORMATION OFFICER	41,659	-	-	-	-	41,659
026492	SER IT CHARGES	4	-	-	-	(15,389)	(15,389)
026495	IT SOURCE PROJECT CLEARING	-	-	-	-	(4,859)	(4,859)
026600	IT INFRASTRUCTURE AND OPERATIONS	25,596	-	-	-	6,335	31,931
026615	ARCHITECTURE AND ENGINEERING	67,035	-	-	-	6,395	73,429
026625	TRANSPORT ENGINEERING	80,025	-	-	-	30,177	110,203
026634	CLOSED DATA CENTER OPERATIONS	9,194	-	-	-	-	9,194
026635	WORKSTATION ENGINEERING	107,373	-	-	-	18,487	125,859
026636	IT CIP INFRASTRUCTURE	76,789	-	-	-	7,484	84,253
026637	DATA CENTER OPERATIONS	110,252	-	-	-	9,701	119,952
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	179,180	-	-	-	9,539	188,719
026646	INFRASTRUCTURE SERVICES	148,758	-	-	-	36,623	185,381
026680	CLIENT SUPPORT SERVICES	18,493	-	-	-	191	18,684
026740	IT SECURITY AND RISK MANAGEMENT	26,641	-	-	-	-	26,641
026742	IT SECURITY	103,817	-	-	-	11,901	115,718
026744	IT SECURITY RISK MANAGEMENT	39,446	-	-	-	11,345	50,791
026780	IT TRAINING	27,200	-	-	-	32	27,232
026772	TECHNOLOGY SUPPORT CENTER	102,547	-	-	-	6,598	109,145
026774	DESKTOP OPERATIONS	72,129	-	-	-	30,357	102,486
026850	VP EXTERNAL AFFAIRS	-	-	43,095	-	-	43,095
026900	LEGAL DEPARTMENT - LKS	227,728	-	2,082	-	(782)	229,039
026905	COMPLIANCE DEPT	73,237	-	-	-	-	73,237
026910	GENERAL COUNSEL - LKS	34,991	-	-	-	-	34,991
026920	DIRECTOR - CORPORATE COMMUNICATION	32,926	-	-	-	-	32,926
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	53,875	-	-	-	-	53,875
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	118,461	-	-	-	-	118,461
027600	IT BUSINESS SERVICES	30,457	-	-	-	1,200	31,657
027610	IT PROJECT MANAGEMENT OFFICE	88,505	-	-	-	89,885	182,238

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
027620	IT BUSINESS ANALYSIS	98,417	-	-	-	65,479	-	164,895
027630	IT QUALITY ASSURANCE	14,843	-	-	-	19,961	-	34,804
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	67,583	-	-	-	-	-	67,583
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	19,175	-	-	-	1,294	1,628	22,097
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	87,698	-	-	-	36,572	-	124,268
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	63,956	-	-	-	57,404	-	121,360
027830	IT CUSTOMER RELATIONSHIP AND BILLING	50,448	-	-	-	81,309	7,602	139,359
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	85,783	-	-	-	51,793	106	138,682
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	102,354	-	-	-	14,050	-	116,404
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	85,108	-	-	-	69,392	-	155,500
027870	IT DEVELOPMENT AND SUPPORT	10,684	-	-	-	21,972	1,293	33,949
028640	SVP ENERGY SUPPLY AND ANALYSIS	24,594	-	-	-	-	-	24,594
028960	DIRECTOR - POWER SUPPLY	12,210	-	-	-	-	-	12,210
029750	PROJECT ENGINEERING	430	-	-	-	-	-	430
023810	CLOSED 01/20 - ECONOMIC ANALYSIS	20,246	-	-	-	-	-	20,246
027640	CLOSED 10/16 - MANAGER - IT SERVICE MANAGEMENT PROCESS	887	-	-	-	-	-	887
009910	LCC IT CHARGES	62	-	-	-	-	-	62
	<b>Total 2016 Gas Labor</b>	<b>22,952,336</b>	<b>550,790</b>	<b>56,277</b>	<b>-</b>	<b>7,317,647</b>	<b>1,921,788</b>	<b>32,798,839</b>
	<b>Total Off-Duty</b>	<b>3,623,134</b>	<b>61,665</b>	<b>12,213</b>	<b>-</b>	<b>887,777</b>	<b>567,105</b>	<b>5,151,895</b>
	<b>Total Employee Benefits</b>	<b>10,825,877</b>	<b>117,412</b>	<b>41,654</b>	<b>-</b>	<b>2,649,296</b>	<b>1,705,087</b>	<b>15,339,326</b>
	<b>Total Payroll Taxes</b>	<b>2,146,596</b>	<b>17,863</b>	<b>7,151</b>	<b>-</b>	<b>559,473</b>	<b>327,073</b>	<b>3,058,156</b>
	<b>Total 2016 Gas Payroll Costs</b>	<b>39,547,344</b>	<b>747,731</b>	<b>117,296</b>	<b>-</b>	<b>11,414,193</b>	<b>4,521,054</b>	<b>56,348,217</b>
	<b>Total 2016 Electric and Gas Payroll Costs</b>	<b>152,776,184</b>	<b>2,272,754</b>	<b>497,820</b>	<b>-</b>	<b>39,320,371</b>	<b>23,632,231</b>	<b>218,499,359</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2017 Payroll Costs - Electric</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	2,834	-	-	-	-	1,003	3,837
001075	TECH. AND SAFETY TRAINING DIST - LGE	42,286	-	-	-	-	316	42,602
001220	BUSINESS OFFICES - LGE	204,314	-	-	-	-	-	204,314
001280	METER READING - LGE	194,210	-	-	-	38	-	194,248
001295	FIELD SERVICE - LGE	1,486,224	-	-	-	558	-	1,486,782
001320	REVENUE PROTECTION - LGE	14,281	-	-	-	-	-	14,281
001345	METER SHOP LGE	642,891	-	237	-	97,456	39,516	780,101
001411	CS PROJECT SERVICES - LGE	-	-	-	-	5,297	(101,584)	(96,287)
002020	GENERATION SUPPORT - LGE	-	-	-	-	-	(205,219)	(205,219)
002041	LGE - CANE RUN 7 ALLOCATIONS	(3,443,866)	-	-	-	-	-	(3,443,866)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(155,025)	-	-	-	-	-	(155,025)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(452,765)	-	-	-	-	-	(452,765)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(6,911,826)	(15,577)	-	-	-	-	(6,927,403)
002060	CENT ENG/CONST MGMT	206,693	-	-	-	304	-	206,997
002120	OHIO FALLS	640,712	-	-	-	53,389	-	694,101
002130	CANE RUN CCGT - LGE	3,983,043	-	1,211	-	4,405	-	3,988,659
002140	OTH PROD OPR/MTCE	154,870	-	249	-	101	-	155,220
002320	MC-COMMON PLANT	7,638,405	-	1,881	-	180,310	-	7,820,596
002330	MC ENGINEERING AND TECHNICAL SERVICES	874,278	-	-	-	16,839	-	891,117
002340	MC COMMERCIAL OPERATIONS	155,038	-	-	448	-	314,466	470,952
002350	MC-LABORATORY	869,661	-	387	-	35,709	-	905,757
002400	MC4-OPERATIONS	-	-	-	-	-	158	158
002401	GEN. MGR. MILL CREEK STATION	810,892	-	-	-	58,603	-	869,495
002490	MGR. MILL CREEK MAINTENANCE	1,245,984	4,215	-	-	19,045	-	1,269,244
002481	MILL CREEK MECHANICAL MAINTENANCE	1,924,539	313,801	488	-	85,080	-	2,323,908
002482	MILL CREEK I/E MAINTENANCE	2,174,881	168,796	11,283	-	140,387	-	2,495,347
002530	CR COMMERCIAL OPERATIONS	2,136	-	-	-	-	6,409	8,546
002603	FINC & BUDGTNG-POWER PROD LG&E	274,863	-	-	-	-	-	274,863
002650	GENERAL MANAGER - TC	480,531	-	156	-	697	-	481,384
002655	TRIMBLE COUNTY CTS	-	-	-	-	10,607	-	10,607
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	103,550	-	205	-	-	120,365	224,120
002680	TC ENGINEERING AND TECHNICAL SERVICES	764,035	-	-	-	77,777	-	841,813
002710	TC-LABORATORY	582,601	-	-	-	18,620	-	581,221
002720	TC OPERATIONS	689,598	-	-	-	56,758	-	746,356
002730	TC OPER-A WATCH	1,061,006	-	1,080	-	7,859	-	1,069,945
002740	TC OPER-B WATCH	1,087,954	-	863	-	12,510	-	1,101,337
002750	TC OPER-C WATCH	1,110,383	-	374	-	30,722	-	1,141,459
002760	TC OPER-D WATCH	1,295,766	-	-	-	14,084	-	1,309,851
002770	TC-MAINTENANCE SVCS	1,417,362	-	-	-	59,793	-	1,477,156
002780	TC-MAINTENANCE I/E	2,433,039	22,809	2,223	-	113,584	-	2,571,656
002790	TC-MTCE MECHANICAL	2,007,322	17,995	1,470	-	38,110	-	2,064,897
002800	FUELS MANAGEMENT	-	-	-	6,971	-	-	6,971
002820	MG-MATERIAL HANDLING	1,195,257	1	-	3,330	-	-	1,198,588
002840	TC-MATERIAL HANDLING	418,583	-	-	-	-	-	418,583
003030	SUBSTATION OPS.	603,586	-	577	-	112,778	88,700	805,641
003110	TRANSFORMERS SERVICES	207,878	-	-	-	168,177	6,162	382,217
003160	SC M LOUISVILLE	1,243,484	-	621	-	860,655	116,721	2,221,480
003210	FORESTRY	140,464	-	-	-	949	9,384	150,797
003230	STORM RESTORATION	11,536	-	-	-	-	(11,536)	-
003300	ELECTRIC CONSTRUCTION CREWS-ESC	1,563,852	-	2,251	-	2,209,150	437,758	4,213,010
003320	STREET LIGHTING-LGE	-	-	-	-	120,602	-	120,602
003385	LINE LOCATING	49,700	-	-	-	-	-	49,700
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,480,712	-	10,081	-	2,453,473	485,523	4,429,789
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	8,709	-	-	-	299,207	4,023	311,939
003430	NETWORK OPS. 3PH COMMERCIAL	352,200	-	948	-	2,121,629	40,297	2,515,074
003450	MANAGER ELECTRIC DISTRIBUTION	185,112	-	-	-	102,017	498,547	786,676
003470	PERFORMANCE METRICS	-	-	-	-	-	209,243	209,243
004010	MANAGER DISTRIBUTION DESIGN	-	-	-	-	45,328	21,905	67,234
004040	DISTRIBUTION DESIGN	67,772	-	206	-	813,342	584,354	1,465,674
004060	GAS DIST. CONTRACT CONSTRUCTION	1,140	-	89	-	40,838	-	42,067
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	-	3,409	3,409
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	4,873	-	1,303	-	3,819	-	9,995
004220	SVC DEL-BARDSTOWN	-	-	212	-	-	-	212
004280	GAS TROUBLE	2	-	-	-	113	-	114
004290	METER SHOP	2,101	2,104	325	-	20,612	-	25,143
004370	ASSET INFORMATION LGE	66,531	-	-	-	-	302,540	369,072
004380	GAS-ENGINEERS	-	-	-	-	5,083	399,551	404,614
004450	CORROSION CONTROL	-	-	-	-	6,546	-	6,546
004470	MULDRAUGH STORAGE	18,874	-	520	-	8,642	-	28,036
004480	MAGNOLIA STORAGE	10,835	-	2,320	-	-	-	13,155
004490	GAS CONTROL	9,269	-	-	-	-	-	9,269
004500	INSTR., MEASUREMENT	3,029	-	-	-	27,384	-	30,413
004510	SYSTEM REGULATION OPERATION	-	-	262	-	10,638	-	10,900
004600	GAS REGULATORY SERVICES	275	-	-	-	2,264	-	2,539
005310	FACILITIES MTCE	114,125	-	-	-	4,250	-	118,375
009250	CORPORATE	(2,927,758)	-	(27,903)	-	-	2,117,303	61,641
009264	TC I/MEA/MPA PARTNER ALLOCATION	(2,530,538)	(6,307)	-	-	-	2,451,932	(84,913)
008630	LGE - TELECOMMUNICATIONS	255,492	-	1,361	-	106,225	354	363,431
008677	LGE FINANCIAL PLANNING ANALYSIS	17,560	-	-	-	-	-	17,560
008678	LGE FINANCIAL PLANNING	(17,560)	-	-	-	-	-	(17,560)
008820	LGE GENERATION CHARGES	42,302	-	-	-	-	-	42,302
008825	LGE GENERATION SERVICES CHARGES	-	-	15,748	-	-	-	15,748
008827	LGE PROJECT ENGINEERING CHARGES	205,219	-	-	-	-	-	205,219
008840	LGE METERING CHARGES	-	-	-	-	-	101,584	101,584
008890	LGE OPERATING SERVICES CHARGES	(6,621)	-	-	-	(1,908)	-	(8,529)
008910	LGE IT CHARGES	73,666	-	-	-	(3,994)	-	69,672
008912	LGE ENTERPRISE SECURITY CHARGES	(68,860)	-	-	-	-	-	(68,860)
011015	VP - ELECTRIC DISTRIBUTION - KU	-	-	-	-	-	(843)	(843)
011063	AREA 3	5,207	-	-	-	-	-	5,207
011064	AREA 4	(0)	-	-	-	-	-	(0)
011069	AREA 9	437	-	-	-	-	-	437
011072	AREA 12	588	-	-	-	-	-	588
011370	FIELD SERVICES - KU	287	-	-	-	-	-	287
011411	CS PROJECT SERVICES - KU	-	-	-	-	5,542	-	5,542
012160	DANVILLE OPERATIONS CENTER	4,138	-	-	-	-	-	4,138
012460	ELIZABETHTOWN OPERATIONS CENTER	278	-	-	-	6,481	-	6,759
012560	SHELBYVILLE OPERATIONS CENTER	4,585	-	-	-	3,464	-	8,049
013040	SC AND M LEXINGTON	18	-	-	-	560	-	578
013150	LEXINGTON OPERATIONS CENTER	138	-	-	-	96	-	234
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	-	-	-	-	8,626	-	8,626
014370	ASSET INFORMATION - KU	-	-	-	-	1,214	-	1,214
014940	SC AND M PINEVILLE	43	-	-	-	1	317	362

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
015970	KU - TELECOMMUNICATIONS	249,660	-	-	-	11,540	24	261,224
018230	EWB OPER / RESULTS	-	-	-	-	0	-	0
016250	EWB EQUIP MNTC	-	-	-	-	3,120	-	3,120
016260	EWB E AND I MNTC	-	-	-	-	280	-	280
016300	EWB COMBUSTION TURBINE	-	-	-	-	51,619	-	51,619
016360	EWB MAINTENANCE	-	-	-	-	6,897	-	6,897
016530	GHEINT - PLANNING	-	-	-	-	5,834	-	5,834
016680	GHEINT-ASST SUPT MNTC	-	-	-	-	454	-	454
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	237,054	-	-	-	-	-	237,054
018820	KU GENERATION CHARGES	34,120	-	-	-	-	-	34,120
018890	KU OPERATING SERVICES CHARGES	(11,152)	-	-	-	-	-	(11,152)
018910	KU IT CHARGES	-	-	-	-	7,381	-	7,381
021000	CHAIRMAN AND CEO	287,271	-	-	-	-	-	287,271
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	77,079	-	-	-	12,533	128,563	218,175
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	50,108	-	-	-	-	62,316	112,426
021035	VP CUSTOMER SERVICES - SERVCO	66,342	-	-	-	-	1,491	67,832
021055	VP ELECTRIC DISTRIBUTION - LKS	111,799	-	-	-	-	-	111,799
021070	DIRECTOR - ASSET MANAGEMENT	18,347	-	-	-	-	30,230	48,576
021071	SYSTEM ANALYSIS AND PLANNING - DIST	153,392	-	-	-	-	164,380	317,772
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	45,036	-	-	-	-	40,708	85,744
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	36,329	-	-	-	375	128,808	165,512
021075	ELECTRIC CODES AND STANDARDS	82,836	-	-	-	5,737	117,597	206,170
021076	ASSET INFORMATION-LKS	15,520	-	-	-	807	67,321	83,648
021080	DISTRIBUTION SYSTEM ADMINISTRATION	150,057	-	-	-	13,762	-	163,819
021204	CCS RETAIL SUPPORT	208,577	-	-	-	972	-	209,549
021205	RESIDENTIAL SERVICE CENTER	1,750,619	-	-	-	543	-	1,751,161
021220	BUSINESS OFFICES	140,405	-	-	-	41	-	140,446
021225	BUSINESS SERVICE CENTER	319,105	-	-	-	-	-	319,105
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	73,937	-	-	-	-	-	73,937
021251	COMPLAINTS AND INQUIRY	83,751	-	-	-	-	-	83,751
021280	MANAGER - METER READING	82,773	-	-	-	-	-	82,773
021315	MANAGER, FIELD SERVICE OPERATIONS	382,019	-	-	-	-	-	382,019
021320	MANAGER - METER ASSET MANAGEMENT - LKS	165,345	-	-	-	-	-	165,345
021325	DIRECTOR REVENUE COLLECTION	31,300	-	-	-	-	-	31,300
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	253,974	-	-	-	826	11,972	266,773
021330	MANAGER REMITTANCE AND COLLECTION	317,706	-	-	-	17	-	317,723
021331	REVENUE ASSURANCE	76,032	-	-	-	14	4,569	80,615
021335	FEDERAL REGULATION & POLICY	30,691	-	3,510	-	-	-	34,201
021360	MANAGER BUSINESS SERVICES	342,470	-	-	-	-	-	342,470
021370	DIRECTOR, SAP UPGRADE PROJECT	101,109	-	-	-	234,334	1,532	336,975
021390	MANAGER MARKETING	137,881	-	-	-	-	5,463	143,345
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	72,303	-	-	-	-	8,854	81,157
021411	CS PROJECT SERVICES - LKS	(2,072)	8,836	-	-	51,048	29,824	87,635
021415	MANAGER, SMART GRID STRATEGY	63,646	2,086	-	-	-	2,434	68,167
021420	ENERGY EFFICIENCY OPERATIONS	5,863	269,638	-	-	13,546	5,304	294,351
021440	VP STATE REGULATION AND RATES	528,636	-	-	-	16	-	528,652
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	77,032	-	-	-	41	-	77,072
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	1,007	123,026	-	-	13,921	10,103	148,058
021900	PRESIDENT AND COO	207,503	-	-	-	-	-	207,503
021904	CHIEF OPERATING OFFICER	137,630	-	-	-	-	-	137,630
022025	GENERATION TURBINE GENERATOR SPECIALIST	302,346	-	-	-	10,903	-	313,249
022060	DIRECTOR - GENERATION SERVICES	119,868	-	332	-	-	-	120,200
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	355,817	-	-	-	-	-	355,817
022070	RESEARCH AND DEVELOPMENT	165,958	-	-	-	789	-	166,747
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	241,651	-	-	-	1,742	-	243,392
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	18,074	-	-	-	16,018	-	34,092
022110	MANAGER - GENERATION ENGINEERING	1,341,306	-	-	-	31,572	-	1,372,878
022200	VP - POWER GENERATION	484,210	-	-	-	140,893	-	625,193
022210	DIRECTOR, COMMERCIAL OPERATIONS	92,431	-	-	-	17,527	63,833	173,791
022220	LKS - CANE RUN COMMERCIAL OPS	78,834	-	-	-	-	156,561	235,394
022230	LKS - MILL CREEK COMMERCIAL OPS	95,903	-	-	-	-	112,562	208,465
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	74,776	-	-	-	-	173,212	247,987
022250	LKS - GHEINT COMMERCIAL OPS	69,916	-	-	-	3,750	74,795	148,460
022260	LKS - EW BROWN COMMERCIAL OPS	57,352	-	-	-	880	63,928	122,169
022270	LKS - RIVERPORT COMMERCIAL OPS	25,194	-	-	-	-	21,974	47,168
022800	DIRECTOR - FUELS MANAGEMENT	222,220	-	-	-	-	-	222,220
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	717,197	(740)	-	1,240	-	-	717,697
022970	GENERATION SYSTEM PLANNING	429,836	-	-	-	35	-	429,871
023000	VICE PRESIDENT - TRANSMISSION	62,108	-	-	-	-	-	62,108
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	7,823	-	-	-	-	45,695	53,518
023005	DIR TRANS STRATEGY & PLANNING	41,314	-	-	-	-	39,988	81,302
023010	DIRECTOR - TRANSMISSION	60,643	-	-	-	-	-	60,643
023020	TRANSMISSION SYSTEM OPERATIONS	1,462,485	-	-	-	1,556	-	1,464,041
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	251,817	-	-	-	1,279	-	252,886
023050	TRANSMISSION STRATEGY & PLANNING	181,370	-	-	-	373	281,266	443,009
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	78,088	-	-	-	428	122,758	201,272
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	239,229	-	-	-	115,362	238,056	592,647
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	126,211	-	-	-	109,562	192,354	428,128
023070	MANAGER - TRANSMISSION LINES	80,608	-	(24)	-	98,018	459,272	637,874
023076	TRANSMISSION PROJECT MANAGEMENT	805	-	-	-	-	73,480	74,346
023080	TRANS RELIABILITY & COMPLIANCE	26,019	-	-	-	-	-	26,019
023080	TRANSMISSION POLICY & TARIFFS	118,165	-	-	-	-	-	118,165
023110	TRANSFORMER SERVICES	7,935	-	-	-	45,592	-	53,527
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	16,438	-	-	-	-	41,530	57,968
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	41,830	-	-	-	16,766	54,766	113,363
023210	LKS - FORESTRY	72,717	-	-	-	-	-	72,717
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,146,345	-	-	-	368,067	391,452	1,905,865
023550	SUBSTATION ENGINEERING AND DESIGN	17,200	-	-	-	258,233	164,735	440,169
023551	DISTRIBUTION ASSETS & STANDARDS	3,271	-	-	-	15,497	123,630	142,398
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	206,962	-	-	-	-	-	206,962
023900	ENERGY PLANNING ANALYSIS AND FORECASTING	58,219	-	-	-	-	-	58,219
023915	SALES ANALYSIS & FORECASTING	143,375	-	-	-	-	-	143,375
024000	VP - GAS DISTRIBUTION	8,769	-	-	-	-	-	8,769
025000	SVP HUMAN RESOURCES	113,432	-	-	-	-	-	113,432
025200	DIR - HUMAN RESOURCES	200,423	-	-	-	-	-	200,423
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	263,911	-	-	-	1,180	-	265,090
025270	INDUSTRIAL RELATIONS & HRIS	120,973	-	-	-	-	-	120,973
025300	DIRECTOR HR - CORPORATE	144,900	-	-	-	-	-	144,900
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	143,256	-	-	-	2,833	25,673	171,762
025415	IT SOURCING AND CONTRACT MANAGEMENT	211,467	-	-	-	1,963	-	213,429
025420	CORPORATE PURCHASING	159,684	20,537	-	-	2,693	-	182,914
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	255,930	-	-	-	6,834	-	262,764
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	14,146	-	-	-	747	164,303	179,197
025460	MANAGER - SUPPLIER DIVERSITY	46,200	-	-	-	-	-	46,200

Expenditure	Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
025470	SARBANES OXLEY		56,822	-	-	-	-	-	56,822
025500	DIRECTOR OPERATING SERVICES		66,352	-	-	-	-	-	66,352
025510	CONTRACT MANAGER - XEROX CORP.		35,605	-	-	-	-	-	35,605
025530	MANAGER TRANSPORTATION		-	-	-	-	2,161	103,801	105,962
025550	MANAGER OFFICE FACILITIES		135,492	-	-	-	-	-	135,492
025551	FACILITY OPERATIONS NORTH		30,579	-	-	-	-	-	30,579
025552	FACILITY OPERATIONS CENTRAL		27,852	-	-	-	-	-	27,852
025553	FACILITY OPERATIONS SOUTH		28,343	-	-	-	-	-	28,343
025555	FACILITY OPERATIONS - LEXINGTON		24,557	-	-	-	-	-	24,557
025560	FACILITY OPERATIONS DATA/CONTROL CENTER		29,521	-	-	-	-	-	29,521
025580	MANAGER REAL ESTATE AND RIGHT OF WAY		115,270	-	-	-	225	157,490	272,985
025590	CORPORATE SECURITY / BUSINESS CONTINUITY		218,294	-	-	-	8,946	-	227,240
025593	PROJECT PLANNING AND MANAGEMENT		88,629	-	284	-	75,250	979	165,141
025594	CORPORATE FACILITY SERVICES		36,921	-	-	-	-	-	36,921
025620	MANAGER HEALTH AND SAFETY		99,758	-	1,503	-	-	-	101,261
025650	DIRECTOR ENVIRONMENTAL AFFAIRS		589,127	-	511	-	470	-	590,108
025660	STAFFING SERVICES		240,779	-	58	-	-	-	240,837
025670	COMPENSATION/HR POLICY & COMPLIANCE		92,346	-	-	-	-	-	92,346
025680	MANAGER BENEFITS AND RECORDS		150,140	-	-	-	-	-	150,140
025700	DIRECTOR - HUMAN RESOURCES		203,332	-	-	-	-	-	203,332
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY		261,076	-	-	-	-	-	261,076
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY		243,838	-	-	-	-	11,018	254,856
025730	GAS SAFETY AND TECHNICAL TRAINING		-	-	-	-	21	-	21
025770	MANAGER ORGANIZATIONAL DEVELOPMENT		106,516	-	2,706	-	-	-	109,222
025775	HRIS		125,801	-	-	-	3,278	-	129,079
025780	MANAGER DIVERSITY STRATEGY		38,023	-	-	-	-	-	38,023
026020	FINANCIAL PLANNING & BUDGETING		105,709	-	-	-	-	-	105,709
026030	GENERATION, PE, AND SAFETY BUDGETING		255,157	-	-	-	102,118	-	357,275
026045	DIRECTOR CORPORATE TAX		280,061	-	526	-	-	-	290,587
026050	CFO		130,902	-	-	-	-	-	130,902
026080	MANAGER REVENUE ACCOUNTING		218,027	-	-	-	12,249	-	230,276
026120	MANAGER PROPERTY ACCOUNTING		296,464	-	-	-	-	-	296,464
026130	CONTROLLER		94,716	-	-	-	-	-	94,716
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING		67,365	-	-	-	-	-	67,365
026140	MANAGER - FINANCIAL PLANNING		188,062	-	-	-	-	-	188,062
026145	SHARED SERVICES & CORPORATE BUDGETING		190,847	-	-	-	44	-	190,891
026150	FINANCIAL ACCOUNTING AND ANALYSIS		159,959	-	-	-	678	-	160,637
026155	FINANCIAL REPORTING		166,552	-	-	-	-	-	166,552
026160	REGULATORY ACCOUNTING AND REPORTING		191,451	-	-	-	-	-	191,451
026170	MANAGER - CUSTOMER ACCOUNTING		521,389	-	-	-	7,264	-	528,652
026190	CORPORATE ACCOUNTING		190,282	-	-	-	572	-	190,854
026200	SUPPLY CHAIN SUPPORT		244,990	-	-	-	559	-	245,549
026310	MANAGER PAYROLL		134,251	-	-	-	-	-	134,251
026330	TREASURER		104,171	-	-	-	-	-	104,171
026350	RISK MANAGEMENT		80,990	-	1,225	-	-	-	82,215
026370	CORPORATE FINANCE		131,723	-	-	-	-	-	131,723
026390	CREDIT/CONTRACT ADMINISTRATION		101,540	-	-	-	-	-	101,540
026400	AUDIT SERVICES		373,407	-	948	-	-	-	374,355
026490	CHIEF INFORMATION OFFICER		68,617	-	-	-	-	-	68,617
026492	SER IT CHARGES		-	-	-	-	(1,661)	-	(1,661)
026600	IT INFRASTRUCTURE AND OPERATIONS		162,687	-	-	-	28,695	-	192,382
026615	ARCHITECTURE AND ENGINEERING		130,363	-	-	-	10,745	-	141,109
026625	TRANSPORT ENGINEERING		289,794	-	-	-	30,725	-	319,519
026630	DATA NETWORKING		287,385	-	48	-	55,896	-	343,328
026634	CLOSED DATA CENTER OPERATIONS		50,178	-	-	-	-	-	50,178
026635	WORKSTATION ENGINEERING		286,925	-	-	-	49,429	-	336,354
026636	IT CIP INFRASTRUCTURE		259,304	-	-	-	34,893	-	294,197
026637	DATA CENTER OPERATIONS		485,796	-	-	-	59,354	-	545,151
026638	GLOBAL NOC		85,115	-	-	-	1,836	-	86,950
026645	UNIFIED COMMUNICATIONS AND COLLABORATION		221,693	-	-	-	19,105	-	240,800
026646	INFRASTRUCTURE SERVICES		566,432	-	-	-	74,064	-	640,496
026739	ENTERPRISE SECURITY		9,072	-	-	-	-	-	9,072
026740	IT SECURITY AND RISK MANAGEMENT		87,733	-	-	-	-	-	87,733
026742	IT SECURITY		349,175	-	-	-	16,693	-	365,868
026744	IT SECURITY RISK MANAGEMENT		194,370	-	-	-	32,954	-	227,324
026749	ENTERPRISE SECURITY SOURCE PROJECT CLEARING		5,492	-	-	-	-	-	5,492
026760	IT TRAINING		120,851	-	-	-	7	-	120,858
026772	TECHNOLOGY SUPPORT CENTER		372,295	-	-	-	2,408	-	374,703
026774	DESKTOP OPERATIONS		245,354	-	-	-	98,576	24	344,953
026850	VP EXTERNAL AFFAIRS		-	-	103,142	-	-	-	103,142
026900	LEGAL DEPARTMENT - LKS		876,469	-	785	-	122,085	-	999,339
026905	COMPLIANCE DEPT		274,443	-	-	-	-	-	274,443
026910	GENERAL COUNSEL - LKS		101,007	-	-	-	-	-	101,007
026920	DIRECTOR - CORPORATE COMMUNICATION		129,380	-	-	-	-	-	129,380
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS		158,427	-	-	-	-	-	158,427
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION		409,781	-	-	-	-	-	409,781
027600	IT BUSINESS SERVICES		110,236	-	-	-	10,285	-	120,501
027610	IT PROJECT MANAGEMENT OFFICE		330,729	-	-	-	197,004	16,518	544,250
027620	IT BUSINESS ANALYSIS		286,953	-	-	-	152,111	17,561	456,625
027630	IT QUALITY ASSURANCE		74,075	-	-	-	31,273	470	105,818
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED		135,224	-	-	-	958	-	136,182
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT		46,407	-	2,028	-	46,175	55,839	150,450
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS		256,863	-	-	-	130,050	-	386,913
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE		155,585	-	-	-	173,983	-	329,568
027830	IT CUSTOMER RELATIONSHIP AND BILLING		146,074	-	-	-	186,273	1,289	333,617
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS		282,536	-	-	-	155,011	2,354	439,901
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS		289,444	-	-	-	77,360	-	366,805
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS		330,745	-	-	-	197,638	-	528,383
027870	IT DEVELOPMENT AND SUPPORT		93,284	-	-	-	12,639	-	105,923
029640	SVP ENERGY SUPPLY AND ANALYSIS		85,679	-	-	-	13,564	-	99,242
029660	DIRECTOR - POWER SUPPLY		938,187	-	-	-	34	-	938,221
029750	PROJECT ENGINEERING		7,066	-	-	-	2,945,517	-	2,952,583
029760	GENERATION SAFETY		188,901	-	-	-	-	-	188,901
<b>Total 2017 Electric Labor</b>			<b>64,820,150</b>	<b>931,221</b>	<b>149,058</b>	<b>11,541</b>	<b>17,590,768</b>	<b>12,298,305</b>	<b>95,801,042</b>
<b>Total Off-Duty</b>			<b>10,353,497</b>	<b>167,369</b>	<b>26,984</b>	<b>699</b>	<b>2,736,963</b>	<b>1,692,329</b>	<b>14,977,841</b>
<b>Total Employee Benefits</b>			<b>30,867,093</b>	<b>297,747</b>	<b>71,125</b>	<b>2,067</b>	<b>8,038,951</b>	<b>5,014,475</b>	<b>44,291,457</b>
<b>Total Payroll Taxes</b>			<b>6,138,565</b>	<b>43,977</b>	<b>15,790</b>	<b>490</b>	<b>1,754,545</b>	<b>984,903</b>	<b>8,945,270</b>
<b>Total 2017 Electric Payroll Costs</b>			<b>112,180,305</b>	<b>1,440,314</b>	<b>262,957</b>	<b>14,797</b>	<b>30,121,226</b>	<b>20,000,011</b>	<b>164,019,610</b>

Expenditure Org	Expenditure Org Description	Below the Line							Total
		Operating	Mechanism	Other I/S	Capitalized	Other B/S			
		2017 Payroll Costs - Gas							
001220	BUSINESS OFFICES - LGE	160,532	-	-	-	-	-	160,532	
001280	METER READING - LGE	152,583	-	-	17	-	-	152,610	
001320	REVENUE PROTECTION - LGE	11,221	-	-	-	-	-	11,221	
001345	METER SHOP LGE	12,483	-	-	-	-	-	12,550	
001411	CS PROJECT SERVICES - LGE	-	-	67	-	2,380	(46,696)	(44,316)	
002130	CANE RUN CCGT - LGE	-	-	342	-	209	-	551	
002140	OTH PROD OPR/MTCE	-	-	70	-	-	-	70	
002320	MC-COMMON PLANT	-	-	531	-	-	-	531	
002340	MC-COMMERCIAL OPERATIONS	-	-	126	-	-	-	126	
002350	MC-LABORATORY	-	-	109	-	-	-	109	
002480	MGR. MILL CREEK MAINTENANCE	-	-	-	-	1,192	-	1,192	
002481	MILL CREEK MECHANICAL MAINTENANCE	-	-	138	-	1,603	-	1,741	
002482	MILL CREEK I/E MAINTENANCE	-	-	3,182	-	-	-	3,182	
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	37	-	37	
002730	TC OPER-A WATCH	-	-	305	-	-	-	305	
002740	TC OPER-B WATCH	-	-	243	-	-	-	243	
002750	TC OPER-C WATCH	-	-	106	-	-	-	106	
002760	TC OPER-D WATCH	2,586	-	-	-	-	-	2,586	
002770	TC-MAINTENANCE SVCS	-	-	-	-	4,058	-	4,058	
002780	TC-MAINTENANCE I/E	-	-	627	-	-	-	627	
002790	TC-MTCE MECHANICAL	-	-	415	-	-	-	415	
003030	SUBSTATION OPS.	-	-	163	-	199	-	361	
003160	SC M LOUISVILLE	333	-	175	-	-	-	508	
003300	ELECTRIC CONSTRUCTION CREWS-ESC	17	-	635	-	985	-	1,637	
003385	LINE LOCATING	50,397	-	-	-	-	-	50,397	
003400	ELECTRIC CONSTRUCTION CREWS-AOC	18,837	-	2,843	-	1,697	-	23,378	
003430	NETWORK OPS. 3PH COMMERCIAL	1,803	-	267	-	2,456	-	4,526	
003470	PERFORMANCE METRICS	13,482	-	-	-	-	107,846	121,328	
004040	DISTRIBUTION DESIGN	39,751	-	58	-	611,043	-	788,465	
004060	GAS DIST. CONTRACT CONSTRUCTION	53,935	-	25	-	1,763,262	-	1,817,222	
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	113,389	-	-	-	39,162	56,973	209,524	
004140	MANAGER, GAS CONSTRUCTION	3,559	-	-	-	606,105	48,489	658,152	
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,430,389	257,188	387	-	2,212,046	38,864	3,938,865	
004220	SVC DEL-BARDSTOWN	244,334	6,001	60	-	93,132	-	343,528	
004270	GAS DISPATCH	695,901	14,859	-	-	88,877	-	799,438	
004280	GAS TROUBLE	1,718,310	14,057	-	-	55,704	-	1,788,070	
004290	METER SHOP	83,073	-	92	-	200,937	-	284,102	
004370	ASSET INFORMATION LGE	59,908	-	-	-	-	245,150	305,508	
004380	GAS-ENGINEERS	131,467	-	-	-	227,359	179,509	538,335	
004385	TRANSMISSION INTEGRITY & COMPLIANCE	577,916	-	-	-	23,702	23,148	624,766	
004450	CORROSION CONTROL	768,977	-	-	-	43,331	-	812,308	
004470	MULDRAUGH STORAGE	2,431,841	7,594	147	-	438,303	82,324	2,960,209	
004475	DIR. GAS CONTROL AND STORAGE - LGE	46,888	-	-	-	-	43,078	89,966	
004480	MAGNOLIA STORAGE	1,879,047	713	654	-	206,844	40,745	2,128,102	
004490	GAS CONTROL	873,178	-	-	-	(2,444)	50,844	921,579	
004500	INSTR. MEASUREMENT	573,888	-	-	-	28,380	-	602,268	
004510	SYSTEM REGULATION OPERATION	1,257,089	-	74	-	139,974	43,707	1,440,844	
004560	GAS PROCUREMENT	824,451	-	-	-	-	-	824,451	
004600	GAS REGULATORY SERVICES	834,827	-	-	-	77,311	4,006	916,144	
005310	FACILITIES MTCE	32,321	-	-	-	1,909	-	34,230	
005250	CORPORATE	(571,932)	-	(7,870)	-	-	464,774	(115,028)	
009630	LGE - TELECOMMUNICATIONS	117,598	-	384	-	25,968	-	143,949	
009677	LGE FINANCIAL PLANNING ANALYSIS	4,953	-	-	-	-	-	4,953	
009678	LGE FINANCIAL PLANNING	(4,953)	-	-	-	-	-	(4,953)	
009840	LGE METERING CHARGES	-	-	-	-	-	46,696	46,696	
008890	LGE OPERATING SERVICES CHARGES	(1,868)	-	-	-	(857)	-	(2,725)	
008910	LGE IT CHARGES	20,777	-	-	-	(1,794)	-	18,983	
008912	LGE ENTERPRISE SECURITY CHARGES	(19,422)	-	-	-	-	-	(19,422)	
011063	AREA 3	4,091	-	-	-	-	-	4,091	
011064	AREA 4	0	-	-	-	-	-	0	
011069	AREA 9	344	-	-	-	-	-	344	
011072	AREA 12	462	-	-	-	-	-	462	
011370	FIELD SERVICES - KU	225	-	-	-	-	-	225	
011411	CS PROJECT SERVICES - KU	-	-	-	-	2,490	-	2,490	
012480	ELIZABETHTOWN OPERATIONS CENTER	-	-	-	-	2,927	-	2,927	
013040	SC AND M LEXINGTON	8	-	-	-	-	-	8	
013150	LXINGTON OPERATIONS CENTER	39	-	-	-	43	-	82	
013910	CLOSED 06/20 - MANAGER - LEXINGTON OPERATIONS CENTER	-	-	-	-	3,876	-	3,876	
014370	ASSET INFORMATION - KU	-	-	-	-	545	-	545	
015870	KU - TELECOMMUNICATIONS	112,018	-	-	-	5,185	-	117,203	
016230	EWB OPER / RESULTS	-	-	-	-	0	-	0	
016360	EWB MAINTENANCE	-	-	-	-	3,099	-	3,099	
016530	GHENT - PLANNING	-	-	-	-	2,621	-	2,621	
016660	GHENT-ASST SUPT MNTC	-	-	-	-	204	-	204	
018890	KU OPERATING SERVICES CHARGES	(3,146)	-	-	-	-	-	(3,146)	
018910	KU IT CHARGES	-	-	-	-	3,316	-	3,316	
021000	CHAIRMAN AND CEO	81,025	-	-	-	-	-	81,025	
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	38	-	-	-	-	-	38	
021035	VP CUSTOMER SERVICES - SERVCO	38,456	-	-	-	-	670	39,125	
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	13,581	13,581	
021075	ELECTRIC CODES AND STANDARDS	-	-	-	-	2,577	-	2,577	
021076	ASSET INFORMATION-LKS	11,024	-	-	-	362	51,901	63,287	
021080	DISTRIBUTION SYSTEM ADMINISTRATION	201,863	-	-	-	6,183	-	208,046	
021204	CCS RETAIL SUPPORT	163,882	-	-	-	437	-	164,318	
021205	RESIDENTIAL SERVICE CENTER	1,372,734	-	-	-	244	-	1,372,978	
021220	BUSINESS OFFICES	110,318	-	-	-	18	-	110,336	
021225	BUSINESS SERVICE CENTER	219,938	-	-	-	-	-	219,938	
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	18,484	-	-	-	-	-	18,484	
021251	COMPLAINTS AND INQUIRY	65,804	-	-	-	-	-	65,804	
021280	MANAGER - METER READING	64,864	-	-	-	-	-	64,864	
021325	DIRECTOR REVENUE COLLECTION	24,593	-	-	-	-	-	24,593	
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	71,219	-	-	-	371	5,248	76,838	
021330	MANAGER REMITTANCE AND COLLECTION	249,581	-	-	-	8	-	249,588	
021331	REVENUE ASSURANCE	59,739	-	-	-	6	1,523	61,269	
021335	FEDERAL REGULATION & POLICY	8,656	-	990	-	669	-	10,315	
021360	MANAGER BUSINESS SERVICES	268,970	-	-	-	-	-	268,970	
021370	DIRECTOR, SAP UPGRADE PROJECT	73,240	-	-	-	105,523	1,532	180,295	
021380	MANAGER MARKETING	34,647	-	-	-	-	5,463	40,110	
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	18,076	-	-	-	-	2,951	21,027	
021411	CS PROJECT SERVICES - LKS	(4,184)	-	-	-	23,912	11,589	31,316	
021415	MANAGER, SMART GRID STRATEGY	15,912	-	-	-	-	1,043	16,955	
021420	ENERGY EFFICIENCY OPERATIONS	1,591	52,044	-	-	5,795	1,776	61,208	
021440	VP STATE REGULATION AND RATES	163,781	-	-	-	7	-	163,788	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	18,480	-	-	-	18	-	18,498
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	527	136,833	-	-	-	-	146,982
021900	PRESIDENT AND COO	58,527	-	-	-	6,254	3,368	58,527
021904	CHIEF OPERATING OFFICER	11,538	-	-	-	-	-	11,538
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	-	-	-	-	782	-	782
022100	VP - TRANSMISSION AND GENERATION SERVICES - SERVCO	1,395	-	-	-	-	-	1,395
022110	MANAGER - GENERATION ENGINEERING	-	-	-	-	1,186	-	1,186
022210	DIRECTOR, COMMERCIAL OPERATIONS	-	-	-	-	7,874	-	7,874
022250	LKS - GHENT COMMERCIAL OPS	-	-	-	-	1,685	-	1,685
022260	LKS - EW BROWN COMMERCIAL OPS	-	-	-	-	400	-	400
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	-	-	-	-	18	-	18
022970	GENERATION SYSTEM PLANNING	6,358	-	-	-	602	-	6,958
023020	TRANSMISSION SYSTEM OPERATIONS	-	-	-	-	699	-	699
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	-	-	-	-	298	-	298
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	168	-	-	-	192	-	360
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	-	-	-	-	1,549	-	1,549
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	-	598	-	598
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	(484)	-	-	-	4,028	-	3,544
023220	MGR SYSTEM RESTORATION AND OPERATIONS	171	-	-	-	16,370	-	16,541
023550	SUBSTATION ENGINEERING AND DESIGN	(23)	-	-	-	-	-	(23)
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	58,374	-	-	-	-	-	58,374
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	16,421	-	-	-	-	-	16,421
023815	SALES ANALYSIS & FORECASTING	40,439	-	-	-	-	-	40,439
024000	VP - GAS DISTRIBUTION	235,175	-	-	-	-	-	235,175
024475	GAS STORAGE, CONTROL AND COMPLIANCE	77,998	-	-	-	-	154,361	231,858
025000	SVP HUMAN RESOURCES	31,994	-	-	-	-	-	31,994
025200	DIR - HUMAN RESOURCES	56,529	-	-	-	-	-	56,529
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	-	-	-	-	270	-	270
025270	INDUSTRIAL RELATIONS & HRIS	34,120	-	-	-	-	-	34,120
025300	DIRECTOR HR - CORPORATE	40,869	-	-	-	-	-	40,869
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	40,406	-	-	-	1,273	524	42,202
025415	IT SOURCING AND CONTRACT MANAGEMENT	59,844	-	-	-	882	-	60,526
025420	CORPORATE PURCHASING	45,039	16,561	-	-	1,210	-	62,810
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	72,186	-	-	-	3,070	-	75,256
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	3,990	-	-	-	336	297	4,622
025460	MANAGER - SUPPLIER DIVERSITY	13,031	-	-	-	-	-	13,031
025470	SARBANES OXLEY	16,027	-	-	-	-	-	16,027
025500	DIRECTOR OPERATING SERVICES	24,356	-	-	-	-	-	24,356
025510	CONTRACT MANAGER - XEROX CORP.	10,042	-	-	-	-	-	10,042
025530	MANAGER TRANSPORTATION	-	-	-	-	971	22,786	23,757
025550	MANAGER OFFICE FACILITIES	38,478	-	-	-	-	-	38,478
025551	FACILITY OPERATIONS NORTH	8,625	-	-	-	-	-	8,625
025552	FACILITY OPERATIONS CENTRAL	7,856	-	-	-	-	-	7,856
025553	FACILITY OPERATIONS SOUTH	7,994	-	-	-	-	-	7,994
025555	FACILITY OPERATIONS - LEXINGTON	6,926	-	-	-	-	-	6,926
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	8,326	-	-	-	-	-	8,326
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	32,445	-	-	-	67,347	158,480	258,272
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	61,459	-	-	-	1,639	-	63,098
025593	PROJECT PLANNING AND MANAGEMENT	27,139	-	80	-	35,424	-	62,644
025594	CORPORATE FACILITY SERVICES	10,414	-	-	-	-	-	10,414
025620	MANAGER HEALTH AND SAFETY	28,137	-	424	-	-	-	28,561
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	154,973	-	144	-	-	-	155,117
025660	STAFFING SERVICES	67,912	-	16	-	-	-	67,928
025670	COMPENSATION/HR POLICY & COMPLIANCE	26,046	-	-	-	-	-	26,046
025680	MANAGER BENEFITS AND RECORDS	42,442	-	-	-	-	-	42,442
025700	DIRECTOR - HUMAN RESOURCES	57,350	-	-	-	-	-	57,350
025730	GAS SAFETY AND TECHNICAL TRAINING	439,181	-	-	-	9	-	439,191
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	30,043	-	763	-	-	-	30,806
025775	HRIS	35,482	-	-	-	1,473	-	36,955
025780	MANAGER DIVERSITY STRATEGY	10,724	-	-	-	-	-	10,724
026020	FINANCIAL PLANNING & BUDGETING	29,815	-	-	-	-	-	29,815
026030	GENERATION, PE, AND SAFETY BUDGETING	71,908	-	-	-	-	-	71,908
026045	DIRECTOR CORPORATE TAX	81,812	-	148	-	-	-	81,960
026050	CFO	36,921	-	-	-	-	-	36,921
026080	MANAGER REVENUE ACCOUNTING	61,485	-	-	-	5,520	-	67,015
026120	MANAGER PROPERTY ACCOUNTING	83,618	-	-	-	-	-	83,618
026130	CONTROLLER	26,715	-	-	-	-	-	26,715
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	19,001	-	-	-	-	-	19,001
026140	MANAGER - FINANCIAL PLANNING	53,043	-	-	-	-	-	53,043
026145	SHARED SERVICES & CORPORATE BUDGETING	53,829	-	-	-	-	-	53,829
026150	FINANCIAL ACCOUNTING AND ANALYSIS	45,117	-	-	-	1,905	-	47,022
026155	FINANCIAL REPORTING	46,976	-	-	-	-	-	46,976
026160	REGULATORY ACCOUNTING AND REPORTING	53,999	-	-	-	-	-	53,999
026170	MANAGER - CUSTOMER ACCOUNTING	408,663	-	-	-	3,263	-	412,926
026180	CORPORATE ACCOUNTING	53,669	-	-	-	257	-	53,926
026200	SUPPLY CHAIN SUPPORT	69,100	-	-	-	244	-	69,344
026310	MANAGER PAYROLL	37,866	-	-	-	-	-	37,866
026330	TREASURER	29,382	-	-	-	-	-	29,382
026350	RISK MANAGEMENT	22,263	-	346	-	-	-	22,609
026370	CORPORATE FINANCE	37,153	-	-	-	-	-	37,153
026390	CREDIT/CONTRACT ADMINISTRATION	28,640	-	-	-	2,731	-	31,371
026400	AUDIT SERVICES	104,985	-	267	-	-	-	105,262
026490	CHIEF INFORMATION OFFICER	19,353	-	-	-	-	-	19,353
026492	SER IT CHARGES	-	-	-	-	(746)	-	(746)
026600	IT INFRASTRUCTURE AND OPERATIONS	45,886	-	-	-	14,423	-	60,309
026615	ARCHITECTURE AND ENGINEERING	36,769	-	-	-	4,828	-	41,597
026625	TRANSPORT ENGINEERING	81,455	-	-	-	11,214	-	92,669
026630	DATA NETWORKING	81,057	-	13	-	23,650	-	104,721
026634	CLOSED DATA CENTER OPERATIONS	14,153	-	-	-	-	-	14,153
026635	WORKSTATION ENGINEERING	80,794	-	-	-	34,418	-	115,212
026636	IT CIP INFRASTRUCTURE	73,137	-	-	-	15,877	-	88,814
026637	DATA CENTER OPERATIONS	137,019	-	-	-	27,912	-	164,931
026638	GLOBAL NOC	24,007	-	-	-	825	-	24,831
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	62,543	-	-	-	8,385	-	70,928
026646	INFRASTRUCTURE SERVICES	158,763	-	-	-	33,275	-	193,038
026739	ENTERPRISE SECURITY	2,559	-	-	-	-	-	2,559
026740	IT SECURITY AND RISK MANAGEMENT	24,745	-	-	-	-	-	24,745
026742	IT SECURITY	98,485	-	-	-	7,500	-	105,985
026744	IT SECURITY RISK MANAGEMENT	54,822	-	-	-	14,806	-	69,628
026748	ENTERPRISE SECURITY SOURCE PROJECT CLEARING	1,548	-	-	-	-	-	1,548
026760	IT TRAINING	34,086	-	-	-	3	-	34,089
026772	TECHNOLOGY SUPPORT CENTER	105,006	-	-	-	1,082	-	106,088
026774	DESKTOP OPERATIONS	69,201	-	-	-	44,878	-	114,080
026850	VP EXTERNAL AFFAIRS	-	-	29,091	-	-	-	29,091

Expenditure		Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
Org	Expenditure Org Description							
026900	LEGAL DEPARTMENT - LKS	298,816	-	221	-	1,728	-	300,766
026905	COMPLIANCE DEPT	77,407	-	-	-	-	-	77,407
026910	GENERAL COUNSEL - LKS	28,489	-	-	-	-	-	28,489
026920	DIRECTOR - CORPORATE COMMUNICATION	36,486	-	-	-	-	-	36,486
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	44,685	-	-	-	-	-	44,685
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	115,547	-	-	-	-	-	115,547
027600	IT BUSINESS SERVICES	31,092	-	-	-	4,612	-	35,704
027610	IT PROJECT MANAGEMENT OFFICE	83,628	-	-	-	98,952	5,847	198,728
027620	IT BUSINESS ANALYSIS	80,935	-	-	-	74,095	7,276	162,306
027630	IT QUALITY ASSURANCE	20,893	-	-	-	14,050	186	35,129
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	38,140	-	-	-	430	-	38,570
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	13,089	-	572	-	20,745	27,640	62,047
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	72,449	-	-	-	59,834	-	132,283
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	43,819	-	-	-	78,166	-	121,985
027830	IT CUSTOMER RELATIONSHIP AND BILLING	43,030	-	-	-	83,688	1,269	127,987
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	79,690	-	-	-	69,205	631	149,526
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	61,638	-	-	-	35,240	-	116,878
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	93,287	-	-	-	112,314	-	205,601
027870	IT DEVELOPMENT AND SUPPORT	26,311	-	-	-	5,678	-	31,989
029640	SVP ENERGY SUPPLY AND ANALYSIS	24,166	-	-	-	-	-	24,166
029660	DIRECTOR - POWER SUPPLY	21,621	-	-	-	957	-	22,578
029750	PROJECT ENGINEERING	(3,740)	-	-	-	1,911	-	(1,830)
<b>Total 2017 Gas Labor</b>		<b>23,982,084</b>	<b>505,850</b>	<b>37,412</b>	<b>-</b>	<b>8,137,516</b>	<b>2,047,013</b>	<b>34,719,876</b>
<b>Total Off-Duty</b>		<b>3,752,278</b>	<b>60,657</b>	<b>9,779</b>	<b>253</b>	<b>991,920</b>	<b>613,328</b>	<b>5,428,216</b>
<b>Total Employee Benefits</b>		<b>11,186,743</b>	<b>107,908</b>	<b>25,777</b>	<b>749</b>	<b>2,913,448</b>	<b>1,817,328</b>	<b>16,051,954</b>
<b>Total Payroll Taxes</b>		<b>2,225,079</b>	<b>15,938</b>	<b>5,723</b>	<b>177</b>	<b>635,876</b>	<b>360,569</b>	<b>3,243,363</b>
<b>Total 2017 Gas Payroll Costs</b>		<b>41,156,185</b>	<b>690,354</b>	<b>78,691</b>	<b>1,180</b>	<b>12,678,761</b>	<b>4,838,239</b>	<b>59,443,409</b>
<b>Total 2017 Electric and Gas Payroll Costs</b>		<b>153,336,489</b>	<b>2,130,668</b>	<b>341,648</b>	<b>15,977</b>	<b>42,799,987</b>	<b>24,836,250</b>	<b>223,463,079</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2018 Payroll Costs - Electric</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	90,178	-	-	-	2,658	(634,007)	(541,175)
001075	TECH. AND SAFETY TRAINING DIST - LGE	42,345	-	-	-	-	(215)	42,330
001220	BUSINESS OFFICES - LGE	282,789	-	-	-	-	-	282,785
001280	METER READING - LGE	217,818	-	-	-	596	-	218,214
001295	FIELD SERVICE - LGE	1,558,852	-	2,725	-	10,359	-	1,571,936
001345	METER SHOP LGE	506,584	-	244	-	264,858	2,857	774,643
001420	DEMAND SIDE MGMT-DSM	105,325	-	-	-	(105,325)	-	-
002041	LGE - CANE RUN 7 ALLOCATIONS	(3,755,402)	-	-	-	-	-	(3,755,402)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(181,658)	-	-	-	-	-	(181,658)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(570,388)	-	-	-	-	-	(570,388)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(7,556,980)	(26,530)	-	-	-	-	(7,583,510)
002060	CENT ENG/CONST MGMT	89,250	-	-	-	-	-	89,250
002120	OHIO FALLS	627,631	-	-	-	78,072	-	705,703
002130	CANE RUN CCGT - LGE	3,943,410	42	19	-	4,217	-	3,947,688
002140	OTH PROD OPR/MTCE	454,932	-	-	-	-	-	454,932
002320	MC-COMMON PLANT	8,094,562	226	2,571	-	240,909	-	8,338,267
002330	MC ENGINEERING AND TECHNICAL SERVICES	992,105	-	-	-	21,955	-	1,014,059
002340	MC COMMERCIAL OPERATIONS	150,359	-	-	-	-	212,478	362,837
002350	MC-LABORATORY	886,773	-	298	-	39,065	-	926,136
002401	GEN. MGR. MILL CREEK STATION	909,447	21,198	-	-	5,623	-	936,268
002480	MGR. MILL CREEK MAINTENANCE	1,343,394	319	-	-	2,289	-	1,346,002
002481	MILL CREEK MECHANICAL MAINTENANCE	1,920,601	335,068	492	-	189,516	-	2,444,667
002482	MILL CREEK I/E MAINTENANCE	2,377,020	198,104	2,391	-	172,400	-	2,749,916
002603	FINC & BUDGTNG-POWER PROD LG&E	287,391	-	-	-	-	-	287,391
002650	GENERAL MANAGER - TC	491,501	-	-	-	67	-	491,588
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	125,669	-	-	-	-	96,597	222,266
002680	TC ENGINEERING AND TECHNICAL SERVICES	931,244	-	-	-	29,710	-	960,954
002710	TC-LABORATORY	614,352	-	-	-	20,955	-	635,306
002720	TC OPERATIONS	936,484	-	-	-	184,304	-	1,120,788
002730	TC OPER-A WATCH	1,128,844	-	-	-	-	-	1,128,844
002740	TC OPER-B WATCH	1,168,113	-	978	-	-	-	1,169,091
002750	TC OPER-C WATCH	1,275,293	-	-	-	1,929	-	1,277,222
002760	TC OPER-D WATCH	1,348,805	-	-	-	7,102	-	1,355,907
002770	TC-MAINTENANCE SVCS	1,271,345	-	-	-	66,054	-	1,337,399
002780	TC-MAINTENANCE I/E	2,576,444	35,235	1,872	-	110,455	-	2,724,005
002790	TC-MTCE MECHANICAL	1,974,427	29,050	1,322	-	31,415	-	2,036,213
002820	MC-MATERIAL HANDLING	1,202,443	1,702	-	3,941	-	-	1,208,086
002840	TC-MATERIAL HANDLING	406,458	-	-	-	-	-	406,458
003030	SUBSTATION OPS.	623,293	-	-	-	98,924	107,488	829,704
003060	TRANSMISSION SUBSTATION ENGINEERING - LG&E	4,412	-	-	-	(4,412)	-	-
003070	LGE TRANSMISSION LINES	188	-	-	-	(188)	-	(0)
003110	TRANSFORMERS SERVICES	206,415	-	-	-	164,498	3,350	374,263
003160	SC M LOUISVILLE	1,123,656	-	(30)	-	328,955	101,897	1,554,478
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	20,711	-	-	-	(19,289)	-	1,421
003210	FORESTRY	151,743	-	-	-	454	-	152,197
003300	ELECTRIC CONSTRUCTION CREWS-ESC	2,153,448	-	3,364	-	2,085,195	631,483	4,873,490
003320	STREET LIGHTING-LGE	1,331	-	-	-	211,624	-	212,954
003385	LINE LOCATING	55,887	-	-	-	-	-	55,887
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,888,601	-	5,164	-	2,309,464	776,838	4,980,066
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	11,949	-	-	-	230,489	-	242,438
003430	NETWORK OPS. 3PH COMMERCIAL	489,306	-	1,775	-	2,115,027	27,310	2,633,418
003450	MANAGER ELECTRIC DISTRIBUTION	233,920	-	-	-	111,647	646,952	992,519
003470	PERFORMANCE METRICS	2,304	-	-	-	-	200,360	202,663
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	245,448	-	-	-	507,191	14,647	767,285
004010	MANAGER DISTRIBUTION DESIGN	318,941	-	-	-	48,107	28,864	76,971
004040	DISTRIBUTION DESIGN	318,941	-	382	-	909,119	681,200	1,909,641
004060	GAS DIST. CONTRACT CONSTRUCTION	30,809	-	238	-	74,172	18,965	124,185
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	-	-	-	-	657	-	657
004140	MANAGER, GAS CONSTRUCTION	2,939	-	-	-	-	5,359	8,298
004180	GAS DIST OPRS-REPAIR AND MAINTAIN	37,951	-	1,215	-	3,804	237,754	280,324
004220	SVC DEL-BARDSTOWN	1,600	-	-	-	-	-	1,600
004270	GAS DISPATCH	-	-	-	-	385	-	385
004280	GAS TROUBLE	101	-	214	-	95	201	611
004290	METER SHOP	4,823	541	-	-	22,333	-	27,698
004370	ASSET INFORMATION LGE	82,173	-	-	-	1,726	210,665	294,564
004380	GAS-ENGINEERS	-	-	-	-	860	340,182	340,852
004385	TRANSMISSION INTEGRITY & COMPLIANCE	2,762	-	-	-	680	-	3,441
004450	CORROSION CONTROL	9,189	-	-	-	-	-	9,189
004470	MULDRAUGH STORAGE	4,721	-	-	-	3,541	29,102	37,365
004475	DIR. GAS CONTROL AND STORAGE - LGE	-	-	-	-	138	-	138
004480	MAGNOLIA STORAGE	9,250	-	3,842	-	-	39,929	53,021
004490	GAS CONTROL	9,547	-	-	-	-	-	9,547
004500	INSTR. MEASUREMENT	2,819	-	-	-	-	-	2,819
004510	SYSTEM REGULATION OPERATION	-	-	223	-	-	-	223
004600	GAS REGULATORY SERVICES	2,842	-	-	-	-	-	2,842
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	625	-	-	-	406	9,593	10,625
004630	OPERATOR QUALIFICATIONS PROGRAM	217	-	-	-	-	-	217
005310	FACILITIES MTCE	102,289	-	-	-	1,969	505	104,764
006250	CORPORATE	(2,949,847)	-	(34,815)	-	-	3,322,361	337,699
006284	TC I/ME/MPA PARTNER ALLOCATION	(2,550,076)	(9,439)	-	-	-	2,465,387	(94,128)
006630	LGE - TELECOMMUNICATIONS	260,941	-	1,539	-	118,858	434	381,770
008825	LGE GENERATION SERVICES CHARGES	(13,330)	-	-	-	-	-	(13,330)
008827	LGE PROJECT ENGINEERING CHARGES	-	-	-	-	172	-	172
008910	LGE IT CHARGES	23,285	-	-	-	(21,140)	-	2,145
011018	VEGETATION MANAGEMENT - KU	381	-	-	-	-	-	381
011061	AREA 1	13	-	-	-	-	-	13
011062	AREA 2	-	-	-	-	34	-	34
011063	AREA 3	39	-	-	-	-	-	39
011064	AREA 4	475	-	-	-	5	-	480
011065	AREA 5	285	-	-	-	97	-	381
011066	AREA 6	90	-	-	-	-	-	90
011067	AREA 7	26	-	-	-	-	-	26
011068	AREA 8	13	-	-	-	60	-	72
011069	AREA 9	325	-	-	-	-	-	325
011070	AREA 10	145	-	-	-	-	-	145
011072	AREA 12	2,364	-	-	-	-	-	2,364
011075	TECH. AND SAFETY TRAINING DIST - KU	-	-	-	-	-	(215)	(215)
011370	FIELD SERVICES - KU	1,988	-	-	-	286	-	2,274
011560	EARLINGTON OPERATIONS CENTER	41,326	-	-	-	19,807	-	61,133
012160	DANVILLE OPERATIONS CENTER	8,811	-	-	-	7,704	-	16,515
012360	RICHMOND OPERATIONS CENTER	21,550	-	-	-	7,921	-	29,471
012460	ELIZABETHTOWN OPERATIONS CENTER	9,492	-	-	-	6,089	-	15,580

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
012560	SHELBYVILLE OPERATIONS CENTER	129	-	-	-	10,432	-	10,560
013040	SC AND M LEXINGTON	-	-	-	-	61	-	61
013150	LEXINGTON OPERATIONS CENTER	37,560	-	-	-	53,592	-	91,151
013660	MAYSVILLE OPERATIONS CENTER	12,945	-	-	-	580	-	13,525
014160	PINEVILLE OPERATIONS CENTER	129	-	-	-	-	-	129
014260	LONDON OPERATIONS CENTER	5,733	-	-	-	9,652	-	15,385
014370	ASSET INFORMATION - KU	4,979	-	-	-	875	-	5,853
014940	SC AND M PINEVILLE	122	-	-	-	-	-	122
015324	LEXINGTON MATERIAL LOGISTICS	-	-	-	-	577	-	577
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	78	-	78
015490	PAYROLL	(3)	-	-	-	-	-	(3)
015820	KU METER SHOP	2,800	-	-	-	115	-	2,915
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	6,680	-	6,680
015670	KU - TELECOMMUNICATIONS	-	-	-	-	23,053	293	262,376
016230	EWB OPER / RESULTS	239,030	-	-	-	10,229	-	10,229
016360	EWB MAINTENANCE	-	-	-	-	7,066	-	7,066
016530	GHENT - PLANNING	-	-	-	-	2,437	-	2,437
016540	GH ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	-	565	565
016650	GHENT - OPERATIONS SHIFTS	-	-	-	-	16,983	-	16,983
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	265,601	-	-	-	-	-	265,601
017600	NORTON OPERATIONS CENTER	-	-	-	-	397	-	397
018827	KU PROJECT ENGINEERING CHARGES	-	-	-	-	258	-	258
018850	KU RETAIL BUSINESS CHARGES	(391)	-	-	-	-	-	(391)
018890	KU OPERATING SERVICES CHARGES	183	-	-	-	-	-	183
020889	IC INCL: LKS-PPL SERV ISD - INFORMATION TECHNOLOGY	(4,534)	-	-	-	-	-	(4,534)
021000	CHAIRMAN AND CEO	89,581	-	-	-	-	-	89,581
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	83,946	-	-	-	47,182	135,751	266,879
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	64,999	-	-	-	26	74,257	139,281
021035	VP CUSTOMER SERVICES - SERVCO	72,348	-	-	-	-	-	72,348
021055	VP ELECTRIC DISTRIBUTION - LKS	116,259	-	-	-	-	-	116,259
021070	DIRECTOR - ASSET MANAGEMENT	18,067	-	-	-	-	34,282	52,349
021071	SYSTEM ANALYSIS AND PLANNING - DIST	155,067	-	-	-	1,609	176,736	333,411
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	41,300	-	-	-	509	45,468	87,278
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	47,794	-	-	-	2,323	112,847	162,964
021075	ELECTRIC CODES AND STANDARDS	94,245	-	-	-	788	122,911	217,944
021076	ASSET INFORMATION-LKS	20,286	-	-	-	4,547	53,614	78,446
021078	PROTECTION & CONTROL ENGINEERING	7,878	-	-	-	1,725	13,914	23,517
021080	DISTRIBUTION SYSTEM ADMINISTRATION	110,524	-	-	-	32,470	-	142,994
021204	CCS RETAIL SUPPORT	296,231	-	-	-	8,901	-	305,132
021205	RESIDENTIAL SERVICE CENTER	1,913,464	-	2,622	-	679	-	1,916,765
021220	BUSINESS OFFICES	89,074	-	-	-	1,292	-	90,365
021221	CIVIC AFFAIRS	65,283	-	-	-	34	-	66,317
021225	BUSINESS SERVICE CENTER	334,086	-	-	-	3,892	-	337,977
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	75,971	-	-	-	-	-	75,971
021251	COMPLAINTS AND INQUIRY	85,149	-	-	-	-	-	86,149
021280	MANAGER - METER READING	105,060	-	-	-	182	-	105,242
021315	MANAGER, FIELD SERVICE OPERATIONS	412,600	-	-	-	43	-	412,643
021320	MANAGER - METER ASSET MANAGEMENT - LKS	215,004	-	-	-	36	-	215,041
021325	DIRECTOR REVENUE COLLECTION	38,871	-	-	-	-	-	38,871
021328	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	270,285	-	223	-	-	-	270,508
021330	MANAGER REMITTANCE AND COLLECTION	228,654	-	-	-	1,756	5,072	235,482
021331	REVENUE ASSURANCE	84,984	-	-	-	198	1,710	86,892
021335	FEDERAL REGULATION & POLICY	60,049	-	-	-	-	-	60,049
021360	MANAGER BUSINESS SERVICES	358,165	-	58	-	71	-	358,295
021370	DIRECTOR, SAP UPGRADE PROJECT	767	-	-	-	-	-	767
021390	MANAGER MARKETING	147,516	-	-	-	7,377	-	154,893
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	66,764	-	4,772	-	-	2,150	73,687
021411	CS PROJECT SERVICES - LKS	93,513	29,141	168,885	-	105,902	(201,970)	195,472
021415	MANAGER, SMART GRID STRATEGY	66,857	-	-	-	-	-	66,857
021420	ENERGY EFFICIENCY OPERATIONS	-	228,883	-	-	17,697	0	246,680
021440	VP STATE REGULATION AND RATES	507,352	-	-	-	399	-	507,751
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	73,559	-	-	-	158	-	73,718
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	16,005	134,736	-	-	22,294	625	173,659
021900	PRESIDENT AND COO	198,580	-	-	-	-	-	198,580
021904	CHIEF OPERATING OFFICER	160,068	-	-	-	-	-	160,068
022025	GENERATION TURBINE GENERATOR SPECIALIST	422,909	-	-	-	2,282	-	425,191
022060	DIRECTOR - GENERATION SERVICES	141,980	-	-	-	166	-	142,156
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	384,590	-	-	-	-	-	384,590
022070	RESEARCH AND DEVELOPMENT	155,187	-	-	-	-	-	155,187
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	264,598	-	-	-	2,821	-	267,408
022110	MANAGER - GENERATION ENGINEERING	1,456,937	-	-	-	1,813	117	1,458,867
022200	VP - POWER GENERATION	518,051	-	-	-	159,597	-	677,648
022210	DIRECTOR, COMMERCIAL OPERATIONS	105,229	-	-	-	10,930	77,840	193,999
022220	LKS - CANE RUN COMMERCIAL OPS	50,468	-	-	-	-	169,563	220,031
022230	LKS - HILL CREEK COMMERCIAL OPS	102,692	-	-	-	-	172,452	275,144
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	82,416	-	-	-	-	203,583	285,999
022250	LKS - GHENT COMMERCIAL OPS	61,358	-	-	-	1,692	87,051	150,101
022260	LKS - EW BROWN COMMERCIAL OPS	48,784	-	-	-	1,229	76,041	126,054
022270	LKS - RIVERPORT COMMERCIAL OPS	51,828	-	-	-	-	43,034	94,863
022800	DIRECTOR - FUELS MANAGEMENT	355,149	-	-	-	4,560	-	359,709
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	620,067	-	-	8,439	39	-	628,545
022970	GENERATION SYSTEM PLANNING	458,807	-	-	-	-	-	458,807
023000	VICE PRESIDENT - TRANSMISSION	79,337	-	-	-	-	-	79,337
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	26,841	-	-	-	-	43,154	69,994
023005	DIR TRANS STRATEGY & PLANNING	38,654	-	-	-	-	41,579	80,234
023010	DIRECTOR - TRANSMISSION	77,331	-	-	-	-	-	77,331
023020	TRANSMISSION SYSTEM OPERATIONS	1,435,605	-	-	-	815	752	1,437,172
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	244,986	-	-	-	11,429	-	256,415
023050	TRANSMISSION STRATEGY & PLANNING	163,132	-	-	-	1,157	320,772	485,061
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	68,709	-	-	-	8,076	130,033	206,819
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	199,138	-	-	-	194,655	345,789	739,582
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	155,333	-	-	-	122,594	234,704	512,632
023070	MANAGER - TRANSMISSION LINES	106,581	-	-	-	100,044	545,283	750,888
023076	TRANSMISSION PROJECT MANAGEMENT	640	-	-	-	8,158	136,723	145,521
023080	TRANSMISSION POLICY & TARIFFS	119,071	-	-	-	-	-	119,071
023110	TRANSFORMER SERVICES	11,885	-	-	-	34,213	-	45,899
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	12,069	-	-	-	173	35,693	47,936
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	49,034	-	-	-	47,048	62,943	159,024
023210	LKS - FORESTRY	70,846	-	-	-	-	-	70,846
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,440,646	-	-	-	387,021	462,829	2,290,496
023550	SUBSTATION ENGINEERING AND DESIGN	9,615	-	-	-	260,496	215,697	495,807
023551	DISTRIBUTION ASSETS & STANDARDS	6,351	-	-	-	2,949	163,810	173,109
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	87,275	-	-	-	-	9,849	97,123
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	167,396	-	-	-	-	-	167,396

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	62,485	-	-	-	-	-	62,485
023815	SALES ANALYSIS & FORECASTING	156,711	-	-	-	-	-	156,711
024000	VP - GAS DISTRIBUTION	9,204	-	-	-	-	-	9,204
024475	GAS STORAGE, CONTROL AND COMPLIANCE	1,508	-	-	-	550	-	2,058
025000	SVP HUMAN RESOURCES	124,075	-	-	-	-	-	124,075
025200	DIR - HUMAN RESOURCES	186,484	-	-	-	-	-	186,484
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	279,053	-	-	-	1,352	-	280,405
025270	INDUSTRIAL RELATIONS & HRIS	122,846	-	-	-	-	-	122,846
025300	DIRECTOR HR - CORPORATE	131,027	-	-	-	-	-	131,027
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	87,389	-	-	-	198	22,481	110,048
025415	IT SOURCING AND CONTRACT MANAGEMENT	216,140	-	-	-	1,778	-	217,918
025420	CORPORATE PURCHASING	152,514	22,712	-	-	186	-	175,412
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	209,091	-	-	-	4,676	69,143	282,910
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	25,914	-	-	-	1,797	141,159	168,870
025460	MANAGER - SUPPLIER DIVERSITY	46,342	-	-	-	-	-	46,342
025470	SARBANES OXLEY	49,874	-	-	-	-	-	49,874
025500	DIRECTOR OPERATING SERVICES	90,869	-	-	-	-	-	90,869
025510	CONTRACT MANAGER - XEROX CORP.	71,388	-	-	-	-	-	71,388
025530	MANAGER TRANSPORTATION	-	-	-	-	-	98,948	98,948
025550	MANAGER OFFICE FACILITIES	139,070	-	-	-	25,282	-	164,352
025551	FACILITY OPERATIONS NORTH	50,638	-	-	-	2,237	532	53,406
025552	FACILITY OPERATIONS CENTRAL	28,862	-	-	-	-	-	28,862
025553	FACILITY OPERATIONS SOUTH	28,296	-	-	-	-	-	28,296
025555	FACILITY OPERATIONS - LEXINGTON	23,570	-	-	-	-	-	23,570
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	27,148	-	-	-	-	-	27,148
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	89,332	-	-	-	2,308	181,309	272,949
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	205,360	-	-	-	4,658	-	210,019
025593	PROJECT PLANNING AND MANAGEMENT	85,003	-	182	-	127,207	90	212,483
025594	CORPORATE FACILITY SERVICES	37,777	-	-	-	-	-	37,777
025620	MANAGER HEALTH AND SAFETY	109,080	-	-	-	-	-	109,080
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	630,141	-	-	-	114	-	630,254
025660	STAFFING SERVICES	249,808	-	-	-	-	-	249,808
025670	COMPENSATION/HR POLICY & COMPLIANCE	104,127	-	-	-	-	-	104,127
025680	MANAGER BENEFITS AND RECORDS	165,087	555	-	-	-	-	165,642
025700	DIRECTOR - HUMAN RESOURCES	218,979	-	-	-	-	-	218,979
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	317,337	-	-	-	-	-	317,337
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	280,365	-	-	-	82	42,159	322,605
025730	GAS SAFETY AND TECHNICAL TRAINING	-	-	-	-	422	28,062	28,484
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	104,176	-	6,641	-	-	-	110,817
025775	HRIS	101,608	-	-	-	15,401	-	117,009
025780	MANAGER DIVERSITY STRATEGY	37,717	-	-	-	-	-	37,717
026020	FINANCIAL PLANNING & BUDGETING	104,452	-	-	-	-	-	104,452
026030	GENERATION, PE, AND SAFETY BUDGETING	193,421	-	-	-	112,983	-	306,403
026045	DIRECTOR CORPORATE TAX	275,679	-	-	-	68	-	275,747
026050	CFO	128,932	-	4,793	-	-	-	133,725
026080	MANAGER REVENUE ACCOUNTING	219,232	-	-	-	4,287	1,641	225,140
026120	MANAGER PROPERTY ACCOUNTING	301,354	-	-	-	41	-	301,396
026130	CONTROLLER	84,303	-	-	-	-	-	84,303
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	67,095	-	-	-	-	-	67,095
026140	MANAGER - FINANCIAL PLANNING	190,320	-	-	-	-	-	190,320
026145	SHARED SERVICES & CORPORATE BUDGETING	199,653	-	-	-	-	-	199,653
026150	FINANCIAL ACCOUNTING AND ANALYSIS	165,179	-	-	-	50	-	165,229
026155	FINANCIAL REPORTING	154,713	-	-	-	175	-	154,888
026160	REGULATORY ACCOUNTING AND REPORTING	174,243	-	1,565	-	-	-	175,807
026170	MANAGER - CUSTOMER ACCOUNTING	530,895	-	-	-	19,195	1,534	551,423
026175	TRANSMISSION, GAS, & ES BUDGETING	18,582	-	-	-	-	-	18,582
026190	CORPORATE ACCOUNTING	205,046	-	-	-	131	-	205,177
026200	SUPPLY CHAIN SUPPORT	260,353	-	-	-	323	21,558	282,235
026310	MANAGER PAYROLL	139,220	-	-	-	2,522	-	141,742
026330	TREASURER	103,776	-	-	-	-	-	103,776
026350	RISK MANAGEMENT	87,337	-	588	-	-	-	87,935
026370	CORPORATE FINANCE	136,704	-	-	-	-	-	136,704
026390	CREDIT/CONTRACT ADMINISTRATION	109,757	-	-	-	-	-	109,757
026400	AUDIT SERVICES	351,718	-	460	-	408	-	352,586
026490	CHIEF INFORMATION OFFICER	142,805	-	-	-	-	-	142,805
026492	SER IT CHARGES	18	-	-	-	6,241	-	6,258
026600	IT INFRASTRUCTURE AND OPERATIONS	265,095	-	-	-	12,594	590	278,279
026625	TRANSPORT ENGINEERING	292,289	-	-	-	67,838	1,349	361,475
026630	DATA NETWORKING	258,517	-	-	-	90,861	-	349,478
026635	WORKSTATION ENGINEERING	129,448	-	-	-	89,591	-	219,039
026638	IT CIP INFRASTRUCTURE	233,081	-	-	-	31,965	-	265,046
026637	DATA CENTER OPERATIONS	609,248	-	-	-	91,753	-	701,001
026638	GLOBAL NOC	124,425	-	-	-	6,712	-	131,138
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	243,049	-	-	-	40,163	-	283,202
026648	INFRASTRUCTURE SERVICES	590,971	-	-	-	48,435	-	637,407
026680	CLIENT SUPPORT SERVICES	145,073	-	-	-	20,285	-	165,358
026739	ENTERPRISE SECURITY	884	-	-	-	-	-	884
026740	IT SECURITY AND RISK MANAGEMENT	98,473	-	-	-	-	-	98,473
026742	IT SECURITY	353,938	-	-	-	28,899	-	382,637
026744	IT SECURITY RISK MANAGEMENT	182,221	-	-	-	39,621	-	221,841
026760	IT TRAINING	106,883	-	-	-	-	-	106,883
026772	TECHNOLOGY SUPPORT CENTER	351,600	-	-	-	629	-	352,229
026774	DESKTOP OPERATIONS	229,273	-	-	-	89,242	-	318,515
026850	VP EXTERNAL AFFAIRS	-	-	128,133	-	-	-	128,133
026900	LEGAL DEPARTMENT - LKS	861,699	-	3,160	-	88,390	-	953,268
026905	COMPLIANCE DEPT	280,795	-	-	-	-	-	280,795
026910	GENERAL COUNSEL - LKS	138,674	-	-	-	-	-	138,674
026920	DIRECTOR - CORPORATE COMMUNICATION	145,137	-	-	-	-	-	145,137
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	154,810	-	-	-	-	-	154,810
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	422,131	-	-	-	1,638	-	423,769
027600	IT BUSINESS SERVICES	119,209	-	-	-	13,542	-	132,751
027610	IT PROJECT MANAGEMENT OFFICE	254,242	-	-	-	242,920	2,542	499,703
027620	IT BUSINESS ANALYSIS	294,048	-	-	-	168,026	-	462,074
027630	IT QUALITY ASSURANCE	72,346	-	-	-	28,640	-	100,986
027850	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	149,531	-	-	-	1,682	-	151,313
027860	IT SERVICE MANAGEMENT	15,241	-	-	-	-	-	15,241
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	38,653	-	-	-	18,801	5,205	62,659
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	276,639	-	-	-	89,359	-	365,999
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	408,469	65	-	-	254,111	12,169	674,814
027830	IT CUSTOMER RELATIONSHIP AND BILLING	517	-	-	-	(470)	-	48
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	298,518	-	-	-	171,791	-	470,309
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	269,176	-	-	-	84,510	-	353,686
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	344,376	-	-	-	75,469	-	419,845
027870	IT DEVELOPMENT AND SUPPORT	108,658	-	-	-	23,223	-	131,882

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
029640	SVP ENERGY SUPPLY AND ANALYSIS	86,957	-	-	-	20,505	-	107,462
029680	DIRECTOR - POWER SUPPLY	940,407	-	-	-	994	-	941,401
029750	PROJECT ENGINEERING	44,064	-	-	-	2,881,362	-	2,925,426
029760	GENERATION SAFETY	206,724	-	-	-	95	-	206,820
	<b>Total 2018 Electric Labor</b>	<b>67,812,129</b>	<b>1,001,708</b>	<b>318,125</b>	<b>12,380</b>	<b>17,650,292</b>	<b>14,366,315</b>	<b>101,160,948</b>
	<b>Total Off-Duty</b>	<b>10,527,481</b>	<b>134,786</b>	<b>28,154</b>	<b>1,043</b>	<b>2,554,772</b>	<b>1,830,825</b>	<b>15,077,060</b>
	<b>Total Employee Benefits</b>	<b>28,450,597</b>	<b>237,255</b>	<b>74,161</b>	<b>3,368</b>	<b>6,739,415</b>	<b>5,155,761</b>	<b>40,660,556</b>
	<b>Total Payroll Taxes</b>	<b>6,418,563</b>	<b>38,164</b>	<b>16,681</b>	<b>848</b>	<b>1,675,818</b>	<b>1,118,965</b>	<b>9,269,040</b>
	<b>Total 2018 Electric Payroll Costs</b>	<b>113,208,770</b>	<b>1,411,912</b>	<b>437,120</b>	<b>17,639</b>	<b>28,620,297</b>	<b>22,471,866</b>	<b>166,167,603</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2018 Payroll Costs - Gas</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	28,477	-	-	-	-	(139,172)	(110,696)
001220	BUSINESS OFFICES - LGE	204,720	-	-	-	-	-	204,720
001280	METER READINGS - LGE	170,986	-	-	-	268	-	171,253
001295	FIELD SERVICE - LGE	8	-	-	-	-	-	8
001345	METER SHOP LGE	1,021	-	77	-	-	-	1,098
002130	CANE RUN CCOT - LGE	-	-	6	-	9,325	-	10,423
002320	MC-COMMON PLANT	-	-	812	-	236	-	1,048
002350	MC-LABORATORY	-	-	94	-	-	-	94
002480	MGR. MILL CREEK MAINTENANCE	-	-	-	-	1,028	-	1,028
002481	MILL CREEK MECHANICAL MAINTENANCE	-	-	152	-	872	-	1,024
002482	MILL CREEK I/E MAINTENANCE	-	-	755	-	-	-	755
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	16	-	16
002720	TC OPERATIONS	-	-	-	-	853	-	853
002740	TC OPER-B WATCH	-	-	309	-	-	-	309
002770	TC-MAINTENANCE SVCS	-	-	-	-	2,799	-	2,799
002780	TC-MAINTENANCE I/E	-	-	591	-	-	-	591
002790	TC-MTCE MECHANICAL	-	-	417	-	-	-	417
003030	SUBSTATION OPS.	25	-	-	-	-	-	25
003110	TRANSFORMERS SERVICES	-	-	-	-	139	-	139
003160	SC M LOUISVILLE	1,030	-	(9)	-	-	-	1,020
003230	STORM RESTORATION	124,821	-	-	-	-	-	124,821
003300	ELECTRIC CONSTRUCTION CREWS-ESC	177	-	990	-	1,382	-	2,549
003320	STREET LIGHTING-LGE	-	-	-	-	280	-	280
003385	LINE LOCATING	57,184	-	-	-	-	-	57,184
003400	ELECTRIC CONSTRUCTION CREWS-AOC	22,069	-	1,344	-	2,616	-	26,029
003430	NETWORK OPS. 3PH COMMERCIAL	1,606	-	561	-	1,201	-	3,368
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	-	-	83	-	83
003470	PERFORMANCE METRICS	14,186	-	-	-	-	106,246	120,432
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	557	-	-	-	159	-	716
004040	DISTRIBUTION DESIGN	46,861	-	121	-	620,733	142,886	810,601
004060	GAS DIST. CONTRACT CONSTRUCTION	122,524	313	4,772	-	1,536,466	186,412	1,850,487
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	57,761	-	-	-	1,051	-	110,712
004140	MANAGER, GAS CONSTRUCTION	12,198	-	-	-	525,279	164,250	701,728
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,652,609	160,874	384	-	1,859,781	149,183	3,822,831
004220	SVC DEL-BARDSTOWN	311,539	3,409	-	-	38,612	-	353,560
004270	GAS DISPATCH	722,665	2,842	-	-	64,098	-	789,606
004280	GAS TROUBLE	1,976,324	12,061	68	-	55,651	-	2,044,105
004280	METER SHOP	67,588	-	-	-	237,829	-	305,415
004370	ASSET INFORMATION LGE	87,461	-	-	-	775	326,461	414,697
004380	GAS-ENGINEERS	179,147	-	-	-	262,756	155,422	597,325
004385	TRANSMISSION INTEGRITY & COMPLIANCE	727,886	-	-	-	18,615	24,189	770,690
004450	CORROSION CONTROL	1,174,903	-	-	-	55,026	-	1,239,928
004470	MULDRAUGH STORAGE	2,403,700	6,633	-	-	227,808	80,197	2,718,136
004475	DIR. GAS CONTROL AND STORAGE - LGE	83,463	-	-	-	(660)	81,928	164,730
004480	MAGNOLIA STORAGE	1,900,300	1,475	8,213	-	218,182	37,804	2,163,974
004485	MAGNOLIA DISTRIBUTION, FIELD AND TRANSMISSION	-	-	-	-	3	-	3
004490	GAS CONTROL	967,710	-	-	-	45	61,137	1,028,892
004500	INSTR. MEASUREMENT	629,949	-	-	-	56,865	-	686,814
004510	SYSTEM REGULATION OPERATION	1,384,996	-	70	-	89,835	79,472	1,564,473
004560	GAS PROCUREMENT	653,443	-	-	-	-	-	653,443
004600	GAS REGULATORY SERVICES	701,530	-	-	-	11,229	-	712,759
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	239,821	-	-	-	4,336	4,310	248,266
004620	PIPELINE SAFETY MANAGEMENT SYSTEMS	167,574	-	-	-	-	-	167,574
004630	OPERATOR QUALIFICATIONS PROGRAM	106,760	-	-	-	330	-	107,090
004640	COMPLIANCE/ENVIRONMENTAL COORDINATOR	54,544	-	-	-	-	-	54,544
005310	FACILITIES MTCE	32,211	-	-	-	885	111	33,206
006250	CORPORATE	(578,807)	-	(10,994)	-	-	483,584	(106,237)
006830	LGE - TELECOMMUNICATIONS	113,104	-	486	-	53,268	84	166,942
008825	LGE GENERATION SERVICES CHARGES	(267)	-	-	-	-	-	(267)
008910	LGE IT CHARGES	7,353	-	-	-	(9,498)	-	(2,145)
011061	AREA 1	10	-	-	-	-	-	10
011062	AREA 2	-	-	-	-	15	-	15
011063	AREA 3	30	-	-	-	-	-	30
011064	AREA 4	119	-	-	-	2	-	121
011065	AREA 5	61	-	-	-	43	-	104
011066	AREA 6	71	-	-	-	-	-	71
011067	AREA 7	20	-	-	-	-	-	20
011068	AREA 8	10	-	-	-	27	-	37
011069	AREA 9	240	-	-	-	-	-	240
011072	AREA 12	1,597	-	-	-	-	-	1,597
011370	FIELD SERVICES - KU	-	-	-	-	128	-	128
011580	EARLINGTON OPERATIONS CENTER	-	-	-	-	433	-	433
012160	DANVILLE OPERATIONS CENTER	-	-	-	-	491	-	491
012380	RICHMOND OPERATIONS CENTER	497	-	-	-	1,423	-	1,920
012450	ELIZABETHTOWN OPERATIONS CENTER	-	-	-	-	598	-	598
012580	SHELBYVILLE OPERATIONS CENTER	101	-	-	-	52	-	153
013040	SC AND M LEXINGTON	-	-	-	-	7	-	7
013150	LXINGTON OPERATIONS CENTER	-	-	-	-	1,247	-	1,247
013660	MAYSVILLE OPERATIONS CENTER	-	-	-	-	261	-	261
014160	PINEVILLE OPERATIONS CENTER	101	-	-	-	-	-	101
014250	LONDON OPERATIONS CENTER	-	-	-	-	355	-	355
014370	ASSET INFORMATION - KU	-	-	-	-	393	-	393
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	35	-	35
015490	PAYROLL	(1)	-	-	-	-	-	(1)
015820	KU METER SHOP	51	-	-	-	52	-	102
015970	KU - TELECOMMUNICATIONS	106,861	-	-	-	9,997	-	116,858
016230	EWB OPER / RESULTS	-	-	-	-	4,596	-	4,596
016360	EWB MAINTENANCE	-	-	-	-	3,175	-	3,175
016530	GHEINT - PLANNING	-	-	-	-	1,095	-	1,095
016650	GHEINT - OPERATIONS SHIFTS	-	-	-	-	7,630	-	7,630
017660	NORTON OPERATIONS CENTER	-	-	-	-	179	-	179
018890	KU OPERATING SERVICES CHARGES	58	-	-	-	-	-	58
020899	HC INCL. LKS-PPL SERV ISD - INFORMATION TECHNOLOGY	(1,432)	-	-	-	-	-	(1,432)
021000	CHAIRMAN AND CEO	28,289	-	-	-	-	-	28,289
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	290	-	-	-	12	-	302
021035	VP CUSTOMER SERVICES - SERVCO	45,025	-	-	-	-	-	45,025
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	15,402	15,402
021071	SYSTEM ANALYSIS AND PLANNING - DIST	-	-	-	-	723	-	723
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	-	-	-	-	229	-	229
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREF	-	-	-	-	936	-	936
021075	ELECTRIC CODES AND STANDARDS	-	-	-	-	354	-	354
021076	ASSET INFORMATION-LKS	14,200	-	-	-	2,043	81,625	97,868

Expenditure Org	Expenditure Org Description	Below the Line					Total
		Operating	Mechanism	Other I/S	Capitalized	Other B/S	
021078	PROTECTION & CONTROL ENGINEERING	-	-	-	775	-	775
021080	DISTRIBUTION SYSTEM ADMINISTRATION	92,293	-	-	29,803	-	122,096
021204	CCS RETAIL SUPPORT	233,102	-	-	3,520	-	236,623
021205	RESIDENTIAL SERVICE CENTER	1,451,252	-	828	305	-	1,452,385
021220	BUSINESS OFFICES	69,986	-	-	580	-	70,567
021221	CIVIC AFFAIRS	51,433	-	-	15	-	51,448
021225	BUSINESS SERVICE CENTER	229,622	-	-	14	-	229,637
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	20,195	-	-	-	-	20,195
021251	COMPLAINTS AND INQUIRY	67,689	-	-	-	-	67,689
021280	MANAGER - METER READING	81,142	-	-	82	-	81,224
021315	MANAGER, FIELD SERVICE OPERATIONS	68	-	-	19	-	87
021320	MANAGER - METER ASSET MANAGEMENT - LKS	-	-	-	16	-	16
021325	DIRECTOR REVENUE COLLECTION	30,514	-	-	-	-	30,514
021328	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	85,277	-	70	-	-	85,347
021330	MANAGER REMITTANCE AND COLLECTION	176,350	-	-	661	2,218	179,229
021331	REVENUE ASSURANCE	66,623	-	-	-	570	67,193
021335	FEDERAL REGULATION & POLICY	18,963	-	-	-	-	18,963
021360	MANAGER BUSINESS SERVICES	273,560	-	18	32	-	273,610
021370	DIRECTOR, SAP UPGRADE PROJECT	603	-	-	-	-	603
021390	MANAGER MARKETING	39,949	-	-	3,314	-	43,263
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	17,747	-	1,507	-	717	19,971
021411	CS PROJECT SERVICES - LKS	30,775	-	72,379	-	47,294	83,267
021415	MANAGER, SMART GRID STRATEGY	17,719	-	-	-	-	17,719
021420	ENERGY EFFICIENCY OPERATIONS	-	44,018	-	7,951	-	51,969
021440	VP STATE REGULATION AND RATES	175,020	-	(0)	179	-	175,200
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	22,810	-	-	71	-	22,881
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	5,134	80,961	-	10,016	208	96,319
021900	PRESIDENT AND COO	62,097	-	-	-	-	62,097
022060	DIRECTOR - GENERATION SERVICES	96	-	-	75	-	171
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	-	-	-	1,267	-	1,267
022110	MANAGER - GENERATION ENGINEERING	-	-	-	401	-	401
022200	VP - POWER GENERATION	-	-	-	4,379	-	4,379
022210	DIRECTOR, COMMERCIAL OPERATIONS	-	-	-	4,910	-	4,910
022230	LKS - MILL CREEK COMMERCIAL OPS	518	-	-	-	-	518
022250	LKS - GHENT COMMERCIAL OPS	-	-	-	760	-	760
022260	LKS - EW BROWN COMMERCIAL OPS	-	-	-	552	-	552
022800	DIRECTOR - FUELS MANAGEMENT	-	-	-	2,049	0	2,049
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	-	-	-	17	-	17
022970	GENERATION SYSTEM PLANNING	4,391	-	-	-	-	4,391
023020	TRANSMISSION SYSTEM OPERATIONS	-	-	-	366	-	366
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	-	-	-	1,704	-	1,704
023050	TRANSMISSION STRATEGY & PLANNING	-	-	-	520	-	520
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	543	-	-	3,628	-	4,171
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	-	-	-	857	-	857
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	317	-	317
023070	MANAGER - TRANSMISSION LINES	-	-	-	395	-	395
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	-	-	-	78	-	78
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	-	-	-	7,756	-	7,756
023220	MGR SYSTEM RESTORATION AND OPERATIONS	(0)	-	-	42,064	-	42,064
023550	SUBSTATION ENGINEERING AND DESIGN	-	-	-	76	-	76
023551	DISTRIBUTION ASSETS & STANDARDS	-	-	-	955	-	955
023640	ELECTRIC DISTRIBUTION & CUSTOMER SERVICE BUDGETING	52,863	-	-	-	1,783	54,646
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	19,732	-	-	-	-	19,732
023815	SALES ANALYSIS & FORECASTING	49,488	-	-	-	-	49,488
024000	VP - GAS DISTRIBUTION	258,165	-	-	-	-	258,165
024475	GAS STORAGE, CONTROL AND COMPLIANCE	76,882	-	-	87	159,387	236,355
025000	SVP HUMAN RESOURCES	39,181	-	-	-	-	39,181
025200	DIR - HUMAN RESOURCES	58,890	-	-	-	-	58,890
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	-	-	-	607	-	607
025270	INDUSTRIAL RELATIONS & HRIS	38,794	-	-	-	-	38,794
025300	DIRECTOR HR - CORPORATE	41,377	-	-	-	-	41,377
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	27,542	-	-	89	458	28,090
025415	IT SOURCING AND CONTRACT MANAGEMENT	68,255	-	-	799	-	69,054
025420	CORPORATE PURCHASING	48,162	17,923	-	83	-	66,169
025430	MANAGER SUPPLY CHAIN EDIT/TRANSMISSION	65,983	-	-	2,101	1,411	69,495
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	8,184	-	-	514	304	9,002
025460	MANAGER - SUPPLIER DIVERSITY	14,634	-	-	-	-	14,634
025470	SARBANES OXLEY	15,750	-	-	-	-	15,750
025500	DIRECTOR OPERATING SERVICES	28,695	-	-	-	-	28,695
025510	CONTRACT MANAGER - XEROX CORP	22,463	-	-	-	-	22,463
025530	MANAGER TRANSPORTATION	-	-	-	-	21,720	21,720
025550	MANAGER OFFICE FACILITIES	43,731	-	-	-	-	43,731
025551	FACILITY OPERATIONS NORTH	15,770	-	-	1,005	117	16,892
025552	FACILITY OPERATIONS CENTRAL	8,747	-	-	-	-	8,747
025553	FACILITY OPERATIONS SOUTH	8,862	-	-	-	-	8,862
025555	FACILITY OPERATIONS - LEXINGTON	7,443	-	-	-	-	7,443
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	8,573	-	-	-	-	8,573
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	27,261	-	-	105,187	177,402	309,850
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	64,576	-	-	248	-	64,824
025593	PROJECT PLANNING AND MANAGEMENT	32,036	-	57	36,844	350	69,288
025594	CORPORATE FACILITY SERVICES	11,810	-	-	-	-	11,810
025620	MANAGER HEALTH AND SAFETY	34,450	-	-	-	-	34,450
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	177,520	-	-	51	-	177,571
025660	STAFFING SERVICES	78,897	-	-	-	-	78,897
025670	COMPENSATION/HR POLICY & COMPLIANCE	32,882	-	-	-	-	32,882
025680	MANAGER BENEFITS AND RECORDS	52,133	43	-	-	-	52,176
025700	DIRECTOR - HUMAN RESOURCES	69,151	-	-	-	-	69,151
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	-	-	-	37	-	37
025730	GAS SAFETY AND TECHNICAL TRAINING	509,195	-	-	189	-	509,385
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	32,898	-	2,097	-	-	34,995
025775	HRIS	32,087	-	-	6,919	-	39,006
025780	MANAGER DIVERSITY STRATEGY	11,911	-	-	-	-	11,911
026020	FINANCIAL PLANNING & BUDGETING	32,985	-	-	-	-	32,985
026030	GENERATION, PE, AND SAFETY BUDGETING	61,080	-	-	-	-	61,080
026045	DIRECTOR CORPORATE TAX	87,056	-	-	31	-	87,087
026050	CFO	40,715	-	1,514	-	-	42,229
026080	MANAGER REVENUE ACCOUNTING	69,231	-	-	1,917	-	71,148
026120	MANAGER PROPERTY ACCOUNTING	95,164	-	-	19	-	95,183
026130	CONTROLLER	26,622	-	-	-	-	26,622
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	21,188	-	-	-	-	21,188
026140	MANAGER - FINANCIAL PLANNING	60,101	-	-	-	-	60,101
026145	SHARED SERVICES & CORPORATE BUDGETING	63,048	-	-	-	-	63,048
026150	FINANCIAL ACCOUNTING AND ANALYSIS	52,162	-	-	22	-	52,184
026155	FINANCIAL REPORTING	48,857	-	-	79	-	48,935

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026160	REGULATORY ACCOUNTING AND REPORTING	55,024	-	494	-	-	-	55,518
026170	MANAGER - CUSTOMER ACCOUNTING	413,875	-	-	-	8,608	569	423,072
026175	TRANSMISSION, GAS, & ES BUDGETING	5,868	-	-	-	-	-	5,868
026190	CORPORATE ACCOUNTING	64,751	-	-	-	59	-	64,810
026200	SUPPLY CHAIN SUPPORT	82,197	-	-	-	145	-	82,343
026310	MANAGER PAYROLL	43,984	-	-	-	1,133	-	45,097
026330	TREASURER	32,771	-	-	-	-	-	32,771
026350	RISK MANAGEMENT	27,580	-	189	-	-	-	27,769
026370	CORPORATE FINANCE	43,170	-	-	-	-	-	43,170
026390	CREDIT/CONTRACT ADMINISTRATION	34,860	-	-	-	-	-	34,860
026400	AUDIT SERVICES	111,069	-	145	-	183	-	111,397
026490	CHIEF INFORMATION OFFICER	45,098	-	-	-	-	-	45,098
026492	SER IT CHARGES	6	-	-	-	2,804	-	2,809
026600	IT INFRASTRUCTURE AND OPERATIONS	83,321	-	-	-	11,610	197	95,128
026625	TRANSPORT ENGINEERING	92,302	-	-	-	30,117	-	122,419
026630	DATA NETWORKING	80,662	-	-	-	53,345	-	134,008
026635	WORKSTATION ENGINEERING	40,878	-	-	-	78,098	-	118,976
026636	IT CIP INFRASTRUCTURE	73,542	-	-	-	13,537	-	87,079
026637	DATA CENTER OPERATIONS	192,394	-	-	-	68,011	-	260,406
026638	GLOBAL NOC	39,292	-	-	-	3,016	-	42,308
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	77,093	-	-	-	17,105	-	94,197
026646	INFRASTRUCTURE SERVICES	186,623	-	-	-	20,862	-	207,485
026680	CLIENT SUPPORT SERVICES	45,813	-	-	-	9,113	-	54,926
026739	ENTERPRISE SECURITY	279	-	-	-	-	-	279
026740	IT SECURITY AND RISK MANAGEMENT	31,412	-	-	-	-	-	31,412
026742	IT SECURITY	111,770	-	-	-	12,943	-	124,713
026744	IT SECURITY RISK MANAGEMENT	57,543	-	-	-	17,801	-	75,344
026760	IT TRAINING	33,753	-	-	-	-	-	33,753
026772	TECHNOLOGY SUPPORT CENTER	111,032	-	-	-	283	-	111,314
026774	DESKTOP OPERATIONS	72,352	-	-	-	40,452	-	112,804
026850	VP EXTERNAL AFFAIRS	-	-	40,463	-	-	-	40,463
026900	LEGAL DEPARTMENT - LKS	282,480	-	1,004	-	858	-	284,342
026905	COMPLIANCE DEPT	88,672	-	-	-	-	-	88,672
026910	GENERAL COUNSEL - LKS	43,792	-	-	-	-	-	43,792
026920	DIRECTOR - CORPORATE COMMUNICATION	45,833	-	-	-	-	-	45,833
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	48,887	-	-	-	-	-	48,887
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	133,305	-	-	-	736	-	134,041
027600	IT BUSINESS SERVICES	37,645	-	-	-	6,084	-	43,729
027610	IT PROJECT MANAGEMENT OFFICE	80,287	-	-	-	149,068	1,017	230,371
027620	IT BUSINESS ANALYSIS	92,857	-	-	-	85,441	-	178,298
027630	IT QUALITY ASSURANCE	22,846	-	-	-	12,867	-	35,713
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	46,721	-	-	-	756	-	47,477
027660	IT SERVICE MANAGEMENT	4,813	-	-	-	-	-	4,813
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	12,206	-	-	-	7,502	2,366	22,074
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	87,360	-	-	-	40,147	-	127,507
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE,	129,002	-	-	-	108,702	5,989	243,673
027830	IT CUSTOMER RELATIONSHIP AND BILLING	163	-	-	-	(211)	-	(48)
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	94,269	-	-	-	86,732	-	181,001
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	85,003	-	-	-	38,943	-	123,945
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	108,750	-	-	-	115,796	-	224,546
027870	IT DEVELOPMENT AND SUPPORT	34,313	-	-	-	10,434	-	44,747
029640	SVP ENERGY SUPPLY AND ANALYSIS	27,460	-	-	-	-	-	27,460
029660	DIRECTOR - POWER SUPPLY	17,119	-	-	-	447	-	17,566
029750	PROJECT ENGINEERING	-	-	-	-	1,610	-	1,610
029760	GENERATION SAFETY	-	-	-	-	43	-	43
<b>Total 2018 Gas Labor</b>		<b>26,832,228</b>	<b>330,553</b>	<b>127,985</b>	<b>-</b>	<b>7,388,231</b>	<b>2,441,804</b>	<b>37,120,801</b>
<b>Total Off-Duty</b>		<b>3,863,037</b>	<b>49,459</b>	<b>10,331</b>	<b>383</b>	<b>937,466</b>	<b>671,817</b>	<b>5,532,496</b>
<b>Total Employee Benefits</b>		<b>10,439,888</b>	<b>87,060</b>	<b>27,213</b>	<b>1,236</b>	<b>2,473,014</b>	<b>1,891,896</b>	<b>14,920,307</b>
<b>Total Payroll Taxes</b>		<b>2,355,279</b>	<b>14,004</b>	<b>6,121</b>	<b>311</b>	<b>614,938</b>	<b>410,602</b>	<b>3,401,255</b>
<b>Total 2018 Gas Payroll Costs</b>		<b>43,490,431</b>	<b>481,076</b>	<b>171,650</b>	<b>1,930</b>	<b>11,413,652</b>	<b>5,416,119</b>	<b>60,974,859</b>
<b>Total 2018 Electric and Gas Payroll Costs</b>		<b>156,699,201</b>	<b>1,892,988</b>	<b>608,771</b>	<b>19,569</b>	<b>40,033,949</b>	<b>27,887,985</b>	<b>227,142,462</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2019 Payroll Costs - Electric</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(4)	-	-	-	-	-	(4)
001035	VP CUSTOMER SERVICES - LGE	-	-	-	-	(310)	-	(310)
001075	TECH. AND SAFETY TRAINING DIST - LGE	40,026	-	-	-	-	-	40,026
001220	BUSINESS OFFICES - LGE	268,859	-	-	-	-	-	268,859
001280	METER READING - LGE	202,021	-	424	-	-	-	202,445
001295	FIELD SERVICE - LGE	1,431,161	-	(168)	-	17,641	-	1,448,633
001345	METER SHOP LGE	684,413	-	500	-	138,289	-	823,203
002020	GENERATION SUPPORT - LGE	-	-	-	-	2,475	-	2,475
002041	LGE - CANE RUN 7 ALLOCATIONS	(3,825,295)	-	-	-	-	-	(3,825,295)
002042	LGE - PADDYS RUN 19 ALLOCATIONS	(191,797)	-	-	-	-	-	(191,797)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(548,799)	-	-	-	-	-	(548,799)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(7,720,655)	(109,991)	-	-	-	-	(7,830,656)
002060	CENT ENG/CONST MGMT	56,601	-	-	-	-	-	56,601
002120	OHIO FALLS	640,612	-	-	-	6,490	-	647,102
002130	CANE RUN COGT - LGE	3,988,717	-	-	-	4,269	-	3,992,987
002140	OTH PROD OPR/MTCE	474,989	-	-	-	8,935	-	483,923
002320	MC-COMMON PLANT	7,832,318	1,515	16,194	-	131,258	-	7,981,286
002330	MC ENGINEERING AND TECHNICAL SERVICES	1,044,802	-	-	-	9,073	380	1,054,255
002340	MC COMMERCIAL OPERATIONS	182,516	-	-	-	-	144,699	327,216
002350	MC-LABORATORY	936,356	-	626	-	88,714	-	1,025,696
002401	GEN. MGR. MILL CREEK STATION	947,621	6,750	-	-	5,072	-	959,443
002480	MGR. MILL CREEK MAINTENANCE	1,502,040	8,812	-	-	26,768	-	1,537,620
002481	MILL CREEK MECHANICAL MAINTENANCE	1,856,957	319,098	-	-	152,849	-	2,328,904
002482	MILL CREEK I/E MAINTENANCE	2,467,438	219,839	1,855	-	153,727	-	2,842,858
002603	FINC & BUDGTNG-POWER PROD LG&E	261,426	-	-	-	-	-	261,426
002650	GENERAL MANAGER - TC	537,434	(15,163)	-	-	1,305	-	523,576
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	131,142	-	-	-	-	100,637	231,779
002680	TC ENGINEERING AND TECHNICAL SERVICES	962,768	-	-	-	131,705	-	1,094,472
002710	TC-LABORATORY	685,465	-	-	-	44,260	-	729,725
002720	TC OPERATIONS	960,786	72,491	-	-	111,442	-	1,144,719
002730	TC OPER-A WATCH	1,189,485	-	10,000	-	47	-	1,199,512
002740	TC OPER-B WATCH	1,173,224	-	3,559	-	-	-	1,176,783
002750	TC OPER-C WATCH	1,316,395	-	-	-	320	-	1,316,715
002760	TC OPER-D WATCH	1,363,225	-	530	-	11,145	-	1,374,900
002770	TC-MAINTENANCE SVCS	1,376,736	70,041	-	-	68,053	-	1,514,830
002780	TC-MAINTENANCE I/E	2,509,948	50,436	1,921	-	147,778	-	2,710,083
002790	TC-MTCE MECHANICAL	1,987,978	59,259	1,692	-	120,021	-	2,168,950
002820	MC-MATERIAL HANDLING	1,093,024	-	-	-	-	-	1,097,061
002840	TC-MATERIAL HANDLING	394,034	-	-	4,037	-	-	394,034
003030	SUBSTATION OPS.	634,213	-	-	-	118,798	91,424	844,435
003060	TRANSMISSION SUBSTATION ENGINEERING - LG&E	45	-	-	-	(1,058)	-	(1,012)
003070	LGE TRANSMISSION LINES	1,490	-	-	-	(1,490)	-	-
003110	TRANSFORMERS SERVICES	169,733	-	-	-	175,162	-	344,894
003160	SC M LOUISVILLE	1,057,912	-	-	-	438,578	111,239	1,607,729
003165	TRANSMISSION SUBSTATION CONSTRUCTION - LGE	(4,909)	-	-	-	5,921	-	1,012
003210	FORESTRY	138,916	-	-	-	-	-	138,916
003300	ELECTRIC CONSTRUCTION CREWS-ESC	1,887,936	-	10,842	-	2,143,177	88,251	4,140,207
003320	STREET LIGHTING-LGE	-	-	-	-	201,513	-	201,513
003365	LINE LOCATING	61,823	-	-	-	-	-	61,823
003400	ELECTRIC CONSTRUCTION CREWS-AOC	1,459,543	-	3,117	-	2,152,108	65,512	3,680,280
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	5,327	-	-	-	283,679	-	289,005
003430	NETWORK OPS. 3PH COMMERCIAL	297,005	-	703	-	2,087,123	19,022	2,403,854
003440	UNDERGROUND CONSTRUCTION	66,901	-	165	-	281,247	261,187	609,500
003450	MANAGER ELECTRIC DISTRIBUTION	235,431	-	436	-	604,735	448,171	1,288,773
003470	PERFORMANCE METRICS	-	-	-	-	-	248,477	248,477
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	310,680	-	-	-	485,703	4,398	800,780
004040	DISTRIBUTION DESIGN	90,837	-	1,216	-	925,094	801,443	1,818,590
004060	GAS DIST. CONTRACT CONSTRUCTION	7,727	-	-	-	27,090	(0)	34,817
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	149	6,468	6,617
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,800	-	4,529	-	2,019	(2)	8,446
004220	SVC DEL-BARDSTOWN	-	-	476	-	-	-	476
004270	GAS DISPATCH	-	-	591	-	54	-	645
004280	GAS TROUBLE	-	-	1,132	-	-	-	1,132
004290	METER SHOP	2,456	3,467	-	-	569	-	6,492
004370	ASSET INFORMATION LGE	56,640	-	-	-	3,440	218,688	278,768
004380	GAS-ENGINEERS	-	-	-	-	3,800	437,189	440,989
004385	TRANSMISSION INTEGRITY & COMPLIANCE	-	-	-	-	2,622	-	2,622
004450	CORROSION CONTROL	6,090	-	-	-	816	651	7,557
004470	MULDRAUGH STORAGE	4,978	-	506	-	122	8,916	14,522
004475	DIR. GAS CONTROL AND STORAGE - LGE	-	-	-	-	453	-	453
004480	MAGNOLIA STORAGE	11,016	-	-	-	(70)	-	10,946
004490	GAS CONTROL	9,414	-	-	-	-	-	9,414
004500	INSTR., MEASUREMENT	-	-	194	-	4,124	-	4,318
004510	SYSTEM REGULATION OPERATION	2,528	-	224	-	579	0	3,331
004600	GAS REGULATORY SERVICES	2,200	-	-	-	1,484	-	3,684
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	-	-	-	-	4,918	-	4,918
005310	FACILITIES MTCE	104,996	-	-	-	1,884	-	106,880
006250	CORPORATE	(2,421,266)	-	(30,259)	-	-	2,545,802	94,277
006264	TC I/MEA/MPA PARTNER ALLOCATION	(2,628,392)	(31,768)	-	-	-	2,597,996	(90,164)
006630	LGE - TELECOMMUNICATIONS	259,721	42	203	-	180,366	322	440,653
008825	LGE GENERATION SERVICES CHARGES	-	-	-	-	189	-	189
008826	LGE FUELS CHARGES	697	-	-	-	-	-	697
008910	LGE IT CHARGES	10,169	-	-	-	(9,112)	-	1,056
011061	AREA 1	622	-	-	-	-	-	622
011069	AREA 9	123	-	-	-	-	-	123
011070	AREA 10	11	-	-	-	-	-	11
011071	AREA 11	129	-	-	-	-	-	129
011072	AREA 12	214	-	-	-	-	-	214
011370	FIELD SERVICES - KU	308	-	-	-	-	-	308
011560	EARLINGTON OPERATIONS CENTER	-	-	-	-	1,071	-	1,071
012050	SC AND M DANVILLE	1,148	-	-	-	-	-	1,148
012160	DANVILLE OPERATIONS CENTER	4,882	-	323	-	9,372	-	14,577
012360	RICHMOND OPERATIONS CENTER	8,565	-	-	-	5,083	-	13,648
012460	ELIZABETHTOWN OPERATIONS CENTER	2,922	-	-	-	487	-	3,419
012560	SHELBYVILLE OPERATIONS CENTER	6,198	-	-	-	3,703	-	9,901
013040	SC AND M LEXINGTON	329	-	-	-	1,262	109	1,700
013150	LXINGTON OPERATIONS CENTER	25,922	-	-	-	20,779	-	46,701
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	88	-	-	-	2,375	-	2,473
013660	MAYSVILLE OPERATIONS CENTER	10,824	-	-	-	-	-	10,824
014260	LONDON OPERATIONS CENTER	-	-	-	-	1,211	-	1,211
014370	ASSET INFORMATION - KU	2,452	-	-	-	2,158	1,226	5,835

Expenditure Org	Expenditure Org Description	Below the Line					Capitalized	Other B/S	Total
		Operating	Mechanism	Other I/S	Other B/S	Total			
014940	SC AND M PINEVILLE	-	-	-	-	-	150	150	
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	9,923	-	9,923	
015970	KU - TELECOMMUNICATIONS	304,583	-	-	-	16,729	470	321,782	
016230	EWB OPER / RESULTS	-	-	-	-	9,119	-	9,119	
016300	EWB COMBUSTION TURBINE	-	-	-	-	31,027	-	31,027	
016380	SOLAR SHARE PROGRAM	1,694	-	-	-	-	-	1,694	
016390	BROWN SOLAR	123	-	-	-	-	-	123	
018550	GHEENT - MECHANICAL MNTC	1,302	-	-	-	-	-	1,302	
018630	GHEENT - COMMERCIAL	-	-	-	-	112	-	112	
018640	GHEENT - STATION LAB	715	-	-	-	-	-	715	
018650	GHEENT - OPERATIONS SHIFTS	-	-	-	-	10,535	-	10,535	
018720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	259,713	-	-	-	-	-	259,713	
017660	NORTON OPERATIONS CENTER	351	-	-	-	-	-	351	
018826	KU FUELS CHARGES	372	-	-	-	-	-	372	
018910	KU IT CHARGES	460	-	-	-	17,751	-	18,211	
020889	IC INCL. LKS-PPL SERV ISD - INFORMATION TECHNOLOGY	(1,577)	-	-	-	-	-	(1,577)	
021000	CHAIRMAN AND CEO	38,391	-	-	-	-	-	38,391	
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	77,204	-	-	-	86,210	113,181	276,596	
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	79,707	-	-	-	1,657	89,992	171,356	
021020	DIRECTOR KU OPERATIONS	-	-	-	-	54	-	54	
021035	VP CUSTOMER SERVICES - SERVC0	73,967	-	-	-	-	-	73,967	
021055	VP ELECTRIC DISTRIBUTION - LKS	123,181	-	-	-	-	-	123,181	
021070	DIRECTOR - ASSET MANAGEMENT	11,376	-	-	-	-	47,510	58,886	
021071	SYSTEM ANALYSIS AND PLANNING - DIST	154,335	-	-	-	-	178,077	332,411	
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	37,853	-	-	-	-	36,547	74,400	
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	44,066	-	-	-	-	58,552	102,618	
021075	ELECTRIC CODES AND STANDARDS	90,090	-	-	-	7,880	131,913	228,883	
021076	ASSET INFORMATION-LKS	9,810	-	-	-	22,394	34,902	67,106	
021078	PROTECTION & CONTROL ENGINEERING	35,182	-	-	-	3,594	68,634	107,410	
021080	DISTRIBUTION SYSTEM ADMINISTRATION	106,405	-	-	-	48,398	-	154,802	
021204	CCS RETAIL SUPPORT	326,640	1,485	-	-	6,949	-	335,073	
021205	RESIDENTIAL SERVICE CENTER	1,895,469	-	-	-	1,531	-	1,897,000	
021220	BUSINESS OFFICES	70,794	-	-	-	-	-	70,794	
021221	CIVIC AFFAIRS	88,041	-	-	-	-	-	88,041	
021225	BUSINESS SERVICE CENTER	316,022	-	-	-	836	-	316,858	
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	78,448	-	-	-	-	-	78,448	
021251	COMPLAINTS AND INQUIRY	91,520	-	-	-	-	-	91,520	
021280	MANAGER - METER READING	133,108	-	-	-	-	-	133,108	
021315	MANAGER, FIELD SERVICE OPERATIONS	437,719	-	2,528	-	-	-	440,247	
021320	MANAGER - METER ASSET MANAGEMENT - LKS	210,747	-	-	-	-	-	210,747	
021325	DIRECTOR REVENUE COLLECTION	40,405	-	-	-	-	-	40,405	
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	270,131	-	219	-	-	-	270,350	
021330	MANAGER REMITTANCE AND COLLECTION	164,980	-	-	-	7,440	-	172,421	
021331	REVENUE ASSURANCE	88,908	-	-	-	3,419	-	92,327	
021335	FEDERAL REGULATION & POLICY	79,875	-	-	-	-	-	79,875	
021360	MANAGER BUSINESS SERVICES	354,434	-	-	-	616	-	355,050	
021380	MANAGER MARKETING	113,348	-	-	-	-	-	113,348	
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	71,578	255	-	-	-	-	71,833	
021411	CS PROJECT SERVICES - LKS	76,968	78,769	204,425	-	19,081	(204,425)	174,818	
021415	MANAGER, SMART GRID STRATEGY	52,804	18,018	-	-	-	-	70,821	
021420	ENERGY EFFICIENCY OPERATIONS	31,928	74,669	-	-	-	-	106,596	
021440	VP STATE REGULATION AND RATES	522,438	-	-	-	-	-	522,438	
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	78,546	-	-	-	-	-	78,546	
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	29,842	98,741	-	-	521	-	130,104	
021900	PRESIDENT AND COO	191,127	-	-	-	-	-	191,127	
021904	CHIEF OPERATING OFFICER	182,484	-	-	-	-	-	182,484	
022025	GENERATION TURBINE GENERATOR SPECIALIST	332,385	-	-	-	14,451	-	346,836	
022060	DIRECTOR - GENERATION SERVICES	149,103	-	-	-	-	-	149,103	
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	435,422	-	-	-	-	-	435,422	
022070	RESEARCH AND DEVELOPMENT	177,566	-	-	-	-	-	177,566	
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	347,536	-	-	-	-	-	347,536	
022110	MANAGER - GENERATION ENGINEERING	1,587,528	-	-	-	-	-	1,587,528	
022200	VP - POWER GENERATION	380,384	-	-	-	54,408	-	434,793	
022210	DIRECTOR, COMMERCIAL OPERATIONS	132,809	-	-	-	8,907	90,543	232,259	
022220	LKS - CANE RUN COMMERCIAL OPS	56,619	-	-	-	-	187,566	244,185	
022230	LKS - MILL CREEK COMMERCIAL OPS	65,954	-	-	-	831	193,461	260,246	
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	74,202	-	-	-	-	193,482	267,684	
022250	LKS - GHEENT COMMERCIAL OPS	42,663	-	-	-	827	100,737	144,028	
022260	LKS - EW BROWN COMMERCIAL OPS	43,380	-	-	-	-	78,651	122,031	
022270	LKS - RIVERPORT COMMERCIAL OPS	84,516	-	-	-	-	37,641	122,156	
022800	DIRECTOR - FUELS MANAGEMENT	376,609	-	-	-	-	-	376,609	
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	602,048	-	-	-	8,240	-	610,288	
022970	GENERATION SYSTEM PLANNING	447,912	-	-	-	-	-	447,912	
023000	VICE PRESIDENT - TRANSMISSION	84,978	-	-	-	-	-	84,978	
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	27,062	-	-	-	-	35,806	62,870	
023005	DIR TRANS STRATEGY & PLANNING	44,889	-	-	-	-	40,796	85,685	
023010	DIRECTOR - TRANSMISSION	81,161	-	-	-	-	-	81,161	
023020	TRANSMISSION SYSTEM OPERATIONS	1,256,141	-	-	-	1,425	1,903	1,259,470	
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	260,620	-	-	-	20,651	-	281,271	
023050	TRANSMISSION STRATEGY & PLANNING	166,841	-	-	-	668	298,058	466,467	
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	60,222	-	-	-	32,318	125,999	218,538	
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	171,657	-	-	-	145,949	348,956	666,564	
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	212,418	-	-	-	116,810	258,629	587,857	
023070	MANAGER - TRANSMISSION LINES	106,684	-	-	-	119,344	608,128	834,157	
023076	TRANSMISSION PROJECT MANAGEMENT	3,225	-	-	-	12,974	147,062	163,260	
023090	TRANSMISSION POLICY & TARIFFS	112,719	-	-	-	-	-	112,719	
023110	TRANSFORMER SERVICES	1,017	-	-	-	2,263	-	3,300	
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	12,853	-	-	-	-	38,300	51,153	
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	39,207	-	-	-	50,228	73,704	163,139	
023210	LKS - FORESTRY	77,664	-	-	-	-	-	77,664	
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,357,397	-	-	-	276,853	597,070	2,231,319	
023550	SUBSTATION ENGINEERING AND DESIGN	10,529	-	-	-	338,531	217,109	566,169	
023551	DISTRIBUTION ASSETS & STANDARDS	7,644	-	-	-	12,949	150,853	171,246	
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVC0)	69,522	-	-	-	-	12,035	81,557	
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	180,693	-	-	-	-	-	180,693	
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	66,497	-	-	-	-	-	66,497	
023815	SALES ANALYSIS & FORECASTING	134,677	-	-	-	-	-	134,677	
025000	SVP HUMAN RESOURCES	125,873	-	-	-	-	-	125,873	
025200	DIR - HUMAN RESOURCES	306,065	-	-	-	-	-	306,065	
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	270,373	-	-	-	710	-	271,083	
025270	INDUSTRIAL RELATIONS & HRIS	15,557	-	-	-	-	-	15,557	
025300	DIRECTOR HR - CORPORATE	135,669	-	-	-	-	-	135,669	
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	116,553	-	-	-	-	19,747	136,300	
025415	IT SOURCING AND CONTRACT MANAGEMENT	228,553	-	-	-	-	-	228,553	

Expenditure Org	Expenditure Org Description	Below the Line					Capitalized	Other B/S	Total
		Operating	Mechanism	Other I/S	Other I/S	Other I/S			
025420	CORPORATE PURCHASING	155,789	9,203	-	-	-	-	164,992	
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	206,867	-	-	-	3,683	77,443	288,093	
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	12,305	-	-	-	-	162,680	174,984	
025460	MANAGER - SUPPLIER DIVERSITY	44,260	-	-	-	-	-	44,260	
025470	SARBANES OXLEY	60,962	-	-	-	-	-	60,962	
025500	DIRECTOR OPERATING SERVICES	97,302	-	-	-	-	-	97,302	
025510	CONTRACT MANAGER - XEROX CORP.	87,078	-	-	-	9,604	-	96,682	
025530	MANAGER TRANSPORTATION	-	-	-	-	-	96,308	96,308	
025550	MANAGER OFFICE FACILITIES	134,833	-	-	-	15,808	-	150,741	
025551	FACILITY OPERATIONS NORTH	55,836	-	-	-	3,935	-	59,871	
025552	FACILITY OPERATIONS CENTRAL	34,295	-	-	-	299	-	34,594	
025553	FACILITY OPERATIONS SOUTH	48,068	-	-	-	1,797	-	49,865	
025555	FACILITY OPERATIONS - LEXINGTON	41,111	-	-	-	-	-	41,111	
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	24,026	-	-	-	250	-	24,276	
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	66,122	-	-	-	402	199,077	265,601	
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	210,899	-	-	-	1,768	-	212,666	
025593	PROJECT PLANNING AND MANAGEMENT	49,013	-	5	-	168,262	340	217,620	
025594	CORPORATE FACILITY SERVICES	57,464	-	-	-	375	-	57,839	
025620	MANAGER HEALTH AND SAFETY	189,044	-	0	-	-	-	189,044	
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	616,067	126	-	-	13,111	-	629,304	
025660	STAFFING SERVICES	279,652	-	-	-	2,638	-	282,290	
025670	COMPENSATION/HR POLICY & COMPLIANCE	92,340	-	-	-	224	-	92,564	
025680	MANAGER BENEFITS AND RECORDS	174,520	-	-	-	3,405	-	177,925	
025700	DIRECTOR - HUMAN RESOURCES	124,672	-	-	-	-	-	124,672	
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	348,561	-	-	-	-	-	348,561	
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	307,933	-	-	-	-	-	307,933	
025730	GAS SAFETY AND TECHNICAL TRAINING	547	-	-	-	1,395	-	1,942	
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	103,801	-	2,294	-	-	-	106,095	
025775	HRIS	119,907	-	-	-	14,270	-	134,177	
025780	MANAGER DIVERSITY STRATEGY	52,166	-	2,967	-	-	-	55,133	
026020	FINANCIAL PLANNING & BUDGETING	129,965	-	-	-	25,348	-	155,313	
026030	GENERATION, PE, AND SAFETY BUDGETING	89,040	-	-	-	77,410	-	166,450	
026045	DIRECTOR CORPORATE TAX	281,204	-	-	-	6,255	-	287,459	
026050	CFO	128,788	-	6,604	-	-	-	135,392	
026080	MANAGER REVENUE ACCOUNTING	285,361	-	-	-	-	-	285,361	
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	112,577	-	-	-	12,280	-	124,857	
026120	MANAGER PROPERTY ACCOUNTING	264,790	-	-	-	7,573	-	272,363	
026130	CONTROLLER	88,061	-	-	-	-	-	88,061	
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	65,527	-	-	-	-	-	65,527	
026140	MANAGER - FINANCIAL PLANNING	192,910	-	-	-	11,255	-	204,165	
026145	SHARED SERVICES & CORPORATE BUDGETING	218,928	-	-	-	13,567	-	232,495	
026150	FINANCIAL ACCOUNTING AND ANALYSIS	19,301	-	-	-	-	-	19,301	
026155	FINANCIAL REPORTING	177,415	-	-	-	-	-	177,415	
026160	REGULATORY ACCOUNTING AND REPORTING	189,954	-	260	-	8,918	-	199,132	
026170	MANAGER - CUSTOMER ACCOUNTING	584,629	925	-	-	17,910	-	603,463	
026175	TRANSMISSION, GAS, & ES BUDGETING	110,574	-	-	-	-	-	110,574	
026190	CORPORATE ACCOUNTING	199,182	-	-	-	254	-	199,436	
026200	SUPPLY CHAIN SUPPORT	251,921	-	-	-	1,551	29,582	283,054	
026310	MANAGER PAYROLL	135,003	-	-	-	10,549	-	145,551	
026330	TREASURER	102,022	-	-	-	-	-	102,022	
026350	RISK MANAGEMENT	107,374	-	(171)	-	-	-	107,203	
026370	CORPORATE FINANCE	145,984	-	-	-	-	-	145,984	
026390	CREDIT/CONTRACT ADMINISTRATION	107,030	-	-	-	-	-	107,030	
026400	AUDIT SERVICES	346,414	-	-	-	191	-	346,604	
026490	CHIEF INFORMATION OFFICER	146,477	-	-	-	-	-	146,477	
026498	IT SOURCE PROJECT CLEARING	-	-	-	-	-	(1,707)	(1,707)	
026600	IT INFRASTRUCTURE AND OPERATIONS	288,998	-	-	-	14,483	-	303,481	
026625	TRANSPORT ENGINEERING	309,470	-	-	-	99,210	1,446	410,126	
026630	DATA NETWORKING	380,852	-	-	-	44,940	216	426,008	
026635	WORKSTATION ENGINEERING	190,276	-	-	-	101,899	-	292,175	
026636	IT CIP INFRASTRUCTURE	251,757	-	-	-	56,381	-	308,138	
026637	DATA CENTER OPERATIONS	631,792	-	-	-	90,548	66	722,406	
026838	GLOBAL NOC	152,443	-	-	-	17,806	-	170,249	
026845	UNIFIED COMMUNICATIONS AND COLLABORATION	309,848	1,911	-	-	65,125	-	376,885	
026848	INFRASTRUCTURE SERVICES	638,000	-	-	-	45,407	-	683,407	
026860	CLIENT SUPPORT SERVICES	94,628	-	-	-	2,123	-	96,750	
026740	IT SECURITY AND RISK MANAGEMENT	128,612	-	-	-	-	-	128,612	
026742	IT SECURITY	441,230	-	-	-	9,115	-	450,345	
026744	IT SECURITY RISK MANAGEMENT	216,329	-	-	-	36,515	-	252,844	
026760	IT TRAINING	111,785	-	-	-	-	-	111,785	
026772	TECHNOLOGY SUPPORT CENTER	361,008	-	-	-	212	-	361,221	
026774	DESKTOP OPERATIONS	300,312	-	(2)	-	82,266	53	382,628	
026850	VP EXTERNAL AFFAIRS	-	-	141,845	-	-	-	141,845	
026900	LEGAL DEPARTMENT - LKS	876,578	-	1,495	-	24,029	-	902,102	
026905	COMPLIANCE DEPT	295,260	-	-	-	-	-	295,260	
026910	GENERAL COUNSEL - LKS	140,738	-	-	-	-	-	140,738	
026920	DIRECTOR - CORPORATE COMMUNICATION	142,295	-	-	-	-	-	142,295	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	174,280	-	-	-	-	-	174,280	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	481,531	-	-	-	2,887	-	484,418	
027600	IT BUSINESS SERVICES	100,407	-	-	-	-	-	100,407	
027610	IT PROJECT MANAGEMENT OFFICE	366,242	8,411	-	-	199,241	-	573,894	
027620	IT BUSINESS ANALYSIS	305,677	-	-	-	150,226	-	455,903	
027630	IT QUALITY ASSURANCE	96,879	-	-	-	21,450	-	118,329	
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	226,648	-	-	-	(13,852)	-	212,796	
027660	IT SERVICE MANAGEMENT	99,432	-	-	-	700	-	100,133	
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	42,956	4,016	-	-	7,209	-	54,181	
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	326,634	-	-	-	100,151	-	426,785	
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	494,536	3,997	-	-	140,151	-	638,684	
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	326,510	-	-	-	171,893	-	498,404	
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	325,674	-	-	-	48,158	-	373,832	
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	304,823	-	-	-	87,777	-	392,600	
027870	IT DEVELOPMENT AND SUPPORT	143,404	-	-	-	76,381	-	219,785	
029640	SVP ENERGY SUPPLY AND ANALYSIS	84,969	-	-	-	25,647	-	110,617	
029660	DIRECTOR - POWER SUPPLY	887,332	-	-	-	-	-	887,332	
029750	PROJECT ENGINEERING	93,428	-	-	-	2,347,349	3,607	2,444,383	
029760	GENERATION SAFETY	216,011	-	-	-	-	-	216,011	
<b>Total 2019 Electric Labor</b>		<b>68,276,672</b>	<b>956,350</b>	<b>394,000</b>	<b>12,277</b>	<b>17,560,927</b>	<b>13,153,774</b>	<b>100,354,001</b>	
<b>Total Off-Duty</b>		<b>10,671,048</b>	<b>130,724</b>	<b>33,861</b>	<b>1,079</b>	<b>2,483,871</b>	<b>1,930,403</b>	<b>15,260,986</b>	
<b>Total Employee Benefits</b>		<b>27,372,689</b>	<b>181,009</b>	<b>79,074</b>	<b>3,107</b>	<b>6,702,614</b>	<b>4,889,463</b>	<b>39,227,955</b>	
<b>Total Payroll Taxes</b>		<b>6,393,064</b>	<b>24,112</b>	<b>18,732</b>	<b>816</b>	<b>1,660,385</b>	<b>1,090,100</b>	<b>9,187,210</b>	
<b>Total 2019 Electric Payroll Costs</b>		<b>112,713,474</b>	<b>1,292,195</b>	<b>626,668</b>	<b>17,278</b>	<b>28,407,797</b>	<b>21,063,740</b>	<b>164,020,152</b>	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>2019 Payroll Costs - Gas</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(1)	-	-	-	-	-	(1)
001220	BUSINESS OFFICES - LGE	211,245	-	-	-	-	-	211,245
001280	METER READING - LGE	158,731	-	127	-	-	-	158,858
001295	FIELD SERVICE - LGE	39,058	-	478	-	-	-	39,535
001345	METER SHOP LGE	293	-	149	-	14,349	-	14,791
002120	OHIO FALLS	2,692	-	-	-	52	-	2,745
002130	CANE RUN CCGT - LGE	-	-	-	-	71	-	71
002320	MC-COMMON PLANT	-	-	4,837	-	-	-	4,837
002350	MC-LABORATORY	-	-	187	-	-	-	187
002481	MILL CREEK MECHANICAL MAINTENANCE	(210)	-	-	-	-	-	(210)
002482	MILL CREEK I/E MAINTENANCE	-	-	554	-	-	-	554
002603	FINC & BUDGTNG-POWER PROD LG&E	554	-	-	-	-	-	554
002720	TC OPERATIONS	-	-	-	-	176	-	176
002740	TC OPER-B WATCH	-	-	1,063	-	-	-	1,063
002760	TC OPER-D WATCH	-	-	158	-	-	-	158
002780	TC-MAINTENANCE I/E	101	-	574	-	-	-	675
002790	TC-MTCE MECHANICAL	-	-	505	-	-	-	505
003030	SUBSTATION OPS.	221	-	-	-	-	-	221
003160	SC M LOUISVILLE	405	-	-	-	-	-	405
003300	ELECTRIC CONSTRUCTION CREWS-ESC	-	-	3,239	-	1,093	-	4,332
003385	LINE LOCATING	61,823	-	-	-	-	-	61,823
003400	ELECTRIC CONSTRUCTION CREWS-AOC	9,972	-	931	-	2,005	-	12,908
003430	NETWORK OPS. 3PH COMMERCIAL	873	-	210	-	-	-	1,083
003440	UNDERGROUND CONSTRUCTION	-	-	49	-	-	-	49
003450	MANAGER ELECTRIC DISTRIBUTION	-	-	130	-	86	-	217
003470	PERFORMANCE METRICS	14,925	-	-	-	-	120,826	135,751
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	270	-	-	-	1,395	-	1,665
004040	DISTRIBUTION DESIGN	48,349	-	363	-	595,121	273,687	917,520
004060	GAS DIST. CONTRACT CONSTRUCTION	127,577	-	321	-	1,645,030	311,425	2,084,353
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	46,526	-	-	-	-	117,989	164,516
004140	MANAGER, GAS CONSTRUCTION	5,264	-	-	-	469,646	323,673	788,583
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	1,750,470	197,272	1,681	-	2,121,395	168,242	4,239,059
004220	SVC DEL-BARDSTOWN	288,088	5,991	142	-	89,450	-	383,682
004270	GAS DISPATCH	745,889	314	176	-	98,288	-	842,678
004280	GAS TROUBLE	1,820,160	6,838	338	-	28,929	-	1,856,265
004290	METER SHOP	105,438	-	-	-	290,918	-	396,356
004370	ASSET INFORMATION LGE	83,188	-	-	-	1,546	340,190	424,924
004380	GAS-ENGINEERS	160,885	-	-	-	266,484	197,216	624,585
004385	TRANSMISSION INTEGRITY & COMPLIANCE	860,573	-	-	-	10,012	9,102	879,688
004450	CORROSION CONTROL	1,327,317	-	-	-	46,467	-	1,373,784
004470	MULDRAUGH STORAGE	2,332,233	18,233	151	-	303,484	72,574	2,726,674
004475	DIR. GAS CONTROL AND STORAGE - LGE	131,880	-	-	-	203	130,289	262,373
004480	MAGNOLIA STORAGE	1,851,579	-	-	-	313,879	39,624	2,205,083
004490	GAS CONTROL	1,190,720	-	-	-	-	78,469	1,269,189
004500	INSTR. MEASUREMENT	741,555	-	58	-	30,100	-	771,714
004510	SYSTEM REGULATION OPERATION	1,342,031	-	67	-	110,072	48,120	1,498,290
004560	GAS PROCUREMENT	678,028	-	-	-	-	-	678,028
004600	GAS REGULATORY SERVICES	848,080	-	-	-	667	-	848,747
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	372,584	-	-	-	2,209	-	374,794
004620	PIPELINE SAFETY MANAGEMENT SYSTEMS	287,471	-	-	-	-	-	287,471
004630	OPERATOR QUALIFICATIONS PROGRAM	288,334	-	-	-	-	-	288,334
004640	COMPLIANCE/ENVIRONMENTAL COORDINATOR	60,422	-	-	-	2,108	-	62,530
005310	FACILITIES MTCE	31,364	-	-	-	848	-	32,210
006250	CORPORATE	(723,218)	-	(9,038)	-	-	597,190	(135,106)
006630	LGE - TELECOMMUNICATIONS	111,943	-	61	-	62,238	-	174,241
008828	LGE FUELS CHARGES	208	-	-	-	-	-	208
008910	LGE IT CHARGES	3,037	-	-	-	(4,094)	-	(1,056)
011061	AREA 1	489	-	-	-	-	-	489
011069	AREA 9	96	-	-	-	-	-	96
011070	AREA 10	9	-	-	-	-	-	9
011071	AREA 11	101	-	-	-	-	-	101
011072	AREA 12	168	-	-	-	-	-	168
011560	EARLINGTON OPERATIONS CENTER	-	-	-	-	481	-	481
012180	DANVILLE OPERATIONS CENTER	-	-	96	-	3,026	-	3,122
012380	RICHMOND OPERATIONS CENTER	-	-	-	-	634	-	634
012560	SHELBYVILLE OPERATIONS CENTER	348	-	-	-	312	-	660
013040	SC AND M LEXINGTON	-	-	-	-	269	-	269
013150	LEXINGTON OPERATIONS CENTER	-	-	-	-	1,225	-	1,225
013560	SUBSTATION RELAY, PROTECTION & CONTROL - KU	-	-	-	-	954	-	954
014260	LONDON OPERATIONS CENTER	-	-	-	-	544	-	544
014370	ASSET INFORMATION - KU	-	-	-	-	969	-	969
015970	KU - TELECOMMUNICATIONS	135,842	-	-	-	7,426	-	143,269
016230	EVB OPER / RESULTS	-	-	-	-	4,087	-	4,087
016630	GHENT - COMMERCIAL	-	-	-	-	50	-	50
016650	GHENT - OPERATIONS SHIFTS	-	-	-	-	4,733	-	4,733
017650	NORTON OPERATIONS CENTER	105	-	-	-	-	-	105
018826	KU FUELS CHARGES	111	-	-	-	-	-	111
018910	KU IT CHARGES	144	-	-	-	7,975	-	8,118
020899	I/C INCL LKS-PPL SERV ISO - INFORMATION TECHNOLOGY	(471)	-	-	-	-	-	(471)
021000	CHAIRMAN AND CEO	11,467	-	-	-	-	-	11,467
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	-	-	-	-	745	-	745
021020	DIRECTOR KU OPERATIONS	-	-	-	-	24	-	24
021035	VP CUSTOMER SERVICES - SERVCO	45,455	-	-	-	-	-	45,455
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	21,345	21,345
021076	ASSET INFORMATION-LKS	10,674	-	-	-	10,061	64,065	84,800
021080	DISTRIBUTION SYSTEM ADMINISTRATION	79,526	-	-	-	21,962	-	101,487
021204	CCS RETAIL SUPPORT	255,671	-	-	-	3,122	-	258,793
021205	RESIDENTIAL SERVICE CENTER	1,480,875	-	-	-	898	-	1,481,363
021220	BUSINESS OFFICES	55,624	-	-	-	-	-	55,624
021221	CIVIC AFFAIRS	69,175	-	-	-	-	-	69,175
021225	BUSINESS SERVICE CENTER	218,301	-	-	-	375	-	218,677
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	22,126	-	-	-	-	-	22,126
021251	COMPLAINTS AND INQUIRY	71,908	-	-	-	-	-	71,908
021280	MANAGER - METER READING	104,493	-	-	-	-	-	104,493
021315	MANAGER, FIELD SERVICE OPERATIONS	295	-	755	-	-	-	1,050
021325	DIRECTOR REVENUE COLLECTION	31,746	-	-	-	-	-	31,746
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	80,300	-	65	-	-	-	80,368
021330	MANAGER REMITTANCE AND COLLECTION	129,438	-	-	-	3,343	-	132,780
021331	REVENUE ASSURANCE	68,856	-	-	-	1,536	-	71,392
021335	FEDERAL REGULATION & POLICY	23,859	-	-	-	-	-	23,859
021360	MANAGER BUSINESS SERVICES	276,529	-	-	-	277	-	276,806
021380	MANAGER MARKETING	31,970	-	-	-	-	-	31,970

Expenditure	Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
021410		DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENC	20,189	-	-	-	-	-	20,189
021411		CS PROJECT SERVICES - LKS	24,939	-	57,611	-	1,452	(87,611)	26,392
021415		MANAGER, SMART GRID STRATEGY	14,893	5,939	-	-	-	-	20,832
021420		ENERGY EFFICIENCY OPERATIONS	10,040	25,974	-	-	-	-	36,015
021440		VP STATE REGULATION AND RATES	147,988	-	-	-	-	-	147,988
021500		DIRECTOR SAFETY AND TECHNICAL TRAINING	23,462	-	-	-	-	-	23,462
021520		ENERGY EFFICIENCY OPERATIONS - NON DSM	8,455	20,685	-	-	234	-	29,374
021900		PRESIDENT AND COO	57,090	-	-	-	-	-	57,090
022200		VP - POWER GENERATION	-	-	-	-	1,289	-	1,289
022210		DIRECTOR, COMMERCIAL OPERATIONS	-	-	-	-	4,002	-	4,002
022230		LKS - MILL CREEK COMMERCIAL OPS	-	-	-	-	373	-	373
022250		LKS - GHENT COMMERCIAL OPS	-	-	-	-	282	-	282
023020		TRANSMISSION SYSTEM OPERATIONS	-	-	-	-	244	-	244
023040		TRANSMISSION ENERGY MANAGEMENT SYSTEMS	173	-	-	-	9,278	-	9,450
023050		TRANSMISSION STRATEGY & PLANNING	-	-	-	-	300	-	300
023055		TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	-	-	-	-	14,519	-	14,519
023060		TRANSMISSION SUBSTATION ENGINEERING - LKS	-	-	-	-	215	-	215
023065		TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	-	1,174	-	1,174
023070		MANAGER - TRANSMISSION LINES	-	-	-	-	3,926	-	3,926
023076		TRANSMISSION PROJECT MANAGEMENT	-	-	-	-	196	-	196
023200		01 DIRECTOR LG&E DISTRIBUTION OPS	-	-	-	-	8,533	-	8,533
023220		MGR SYSTEM RESTORATION AND OPERATIONS	-	-	-	-	37,210	-	37,210
023551		DISTRIBUTION ASSETS & STANDARDS	-	-	-	-	224	-	224
023640		ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	57,201	-	-	-	-	-	57,201
023800		ENERGY PLANNING ANALYSIS AND FORECASTING	19,863	-	-	-	-	-	19,863
023815		SALES ANALYSIS & FORECASTING	33,974	-	-	-	-	-	33,974
024000		VP - GAS DISTRIBUTION	265,062	-	-	-	-	-	265,062
024475		GAS STORAGE, CONTROL AND COMPLIANCE	73,371	-	-	-	-	148,848	222,219
025000		SVP HUMAN RESOURCES	37,598	-	-	-	-	-	37,598
025200		DIR - HUMAN RESOURCES	91,422	-	-	-	-	-	91,422
025210		TECHNICAL TRAINING GENERATION AND TRANSMISSION	-	-	-	-	319	-	319
025270		INDUSTRIAL RELATIONS & HRIS	4,647	-	-	-	-	-	4,647
025300		DIRECTOR HR - CORPORATE	40,525	-	-	-	-	-	40,525
025410		DIRECTOR SUPPLY CHAIN AND LOGISTICS	34,873	-	-	-	-	414	35,287
025415		IT SOURCING AND CONTRACT MANAGEMENT	67,672	-	-	-	-	-	67,672
025420		CORPORATE PURCHASING	46,534	4,573	-	-	-	-	51,107
025430		MANAGER SUPPLY CHAIN ED/TRANSMISSION	61,821	-	-	-	822	1,580	64,224
025450		MANAGER MATERIAL SERVICES AND LOGISTICS	3,675	-	-	-	-	290	3,966
025460		MANAGER - SUPPLIER DIVERSITY	13,221	-	-	-	-	-	13,221
025470		SARBANES OXLEY	18,209	-	-	-	-	-	18,209
025500		DIRECTOR OPERATING SERVICES	29,064	-	-	-	-	-	29,064
025510		CONTRACT MANAGER - XEROX CORP.	26,712	-	-	-	4,315	-	31,027
025530		MANAGER TRANSPORTATION	-	-	-	-	-	22,591	22,591
025550		MANAGER OFFICE FACILITIES	40,275	-	-	-	519	-	40,794
025551		FACILITY OPERATIONS NORTH	16,653	-	-	-	1,768	-	18,421
025552		FACILITY OPERATIONS CENTRAL	10,244	-	-	-	134	-	10,378
025553		FACILITY OPERATIONS SOUTH	14,358	-	-	-	807	-	15,165
025555		FACILITY OPERATIONS - LEXINGTON	12,280	-	-	-	-	-	12,280
025560		FACILITY OPERATIONS DATA/CONTROL CENTER	7,176	-	-	-	112	-	7,289
025580		MANAGER REAL ESTATE AND RIGHT OF WAY	25,419	-	-	-	95,342	197,939	318,700
025590		CORPORATE SECURITY / BUSINESS CONTINUITY	63,173	-	-	-	263	-	63,435
025593		PROJECT PLANNING AND MANAGEMENT	15,158	-	2	-	68,669	-	83,829
025594		CORPORATE FACILITY SERVICES	11,191	-	-	-	169	-	11,359
025620		MANAGER HEALTH AND SAFETY	56,468	-	-	-	-	-	56,468
025650		DIRECTOR ENVIRONMENTAL AFFAIRS	166,215	-	-	-	1,139	-	167,354
025660		STAFFING SERVICES	83,588	-	-	-	1,185	-	84,773
025670		COMPENSATION/HR POLICY & COMPLIANCE	27,582	-	-	-	101	-	27,683
025680		MANAGER BENEFITS AND RECORDS	52,129	-	-	-	1,530	-	53,659
025700		DIRECTOR - HUMAN RESOURCES	37,240	-	-	-	-	-	37,240
025730		GAS SAFETY AND TECHNICAL TRAINING	748,962	-	-	-	-	-	748,962
025770		MANAGER ORGANIZATIONAL DEVELOPMENT	31,005	-	685	-	-	-	31,691
025775		HRIS	35,816	-	-	-	6,411	-	42,228
025780		MANAGER DIVERSITY STRATEGY	15,582	-	886	-	-	-	16,468
025020		FINANCIAL PLANNING & BUDGETING	38,843	-	-	-	11,388	-	50,232
026030		GENERATION, PE, AND SAFETY BUDGETING	26,000	-	-	-	-	-	26,000
026045		DIRECTOR CORPORATE TAX	83,996	-	-	-	2,810	-	86,806
026050		CFO	38,469	-	1,973	-	-	-	40,442
026080		MANAGER REVENUE ACCOUNTING	85,238	-	-	-	-	-	85,238
026110		LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	33,627	-	-	-	5,517	-	39,144
026120		MANAGER PROPERTY ACCOUNTING	60,861	-	-	-	3,402	-	64,263
026130		CONTROLLER	26,304	-	-	-	-	-	26,304
026135		DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	19,573	-	-	-	-	-	19,573
026140		MANAGER - FINANCIAL PLANNING	57,522	-	-	-	5,057	-	62,579
026145		SHARED SERVICES & CORPORATE BUDGETING	58,583	-	-	-	6,085	-	64,678
026150		FINANCIAL ACCOUNTING AND ANALYSIS	5,765	-	-	-	-	-	5,765
026155		FINANCIAL REPORTING	52,984	-	-	-	-	-	52,984
026160		REGULATORY ACCOUNTING AND REPORTING	56,739	-	78	-	4,007	-	60,824
026170		MANAGER - CUSTOMER ACCOUNTING	456,281	-	-	-	3,125	-	459,407
026175		TRANSMISSION, GAS, & ES BUDGETING	90,751	-	-	-	-	-	90,751
026190		CORPORATE ACCOUNTING	59,496	-	-	-	114	-	59,610
026200		SUPPLY CHAIN SUPPORT	75,249	-	-	-	687	-	75,946
026310		MANAGER PAYROLL	40,326	-	-	-	4,739	-	45,065
026330		TREASURER	30,474	-	-	-	-	-	30,474
026350		RISK MANAGEMENT	32,073	-	(51)	-	-	-	32,022
026370		CORPORATE FINANCE	43,606	-	-	-	-	-	43,606
026390		CREDIT/CONTRACT ADMINISTRATION	31,970	-	-	-	-	-	31,970
026400		AUDIT SERVICES	103,474	-	-	-	86	-	103,560
026490		CHIEF INFORMATION OFFICER	43,753	-	-	-	-	-	43,753
026600		IT INFRASTRUCTURE AND OPERATIONS	86,324	-	-	-	6,703	-	93,027
026625		TRANSPORT ENGINEERING	92,335	-	-	-	44,376	-	136,711
026630		DATA NETWORKING	113,832	-	-	-	34,705	-	148,537
026635		WORKSTATION ENGINEERING	56,836	-	-	-	47,970	-	104,806
026638		IT CIP INFRASTRUCTURE	75,200	-	-	-	32,010	-	107,210
026637		DATA CENTER OPERATIONS	188,717	-	-	-	46,884	-	235,601
026638		GLOBAL NOC	45,535	-	-	-	8,000	-	53,535
026645		UNIFIED COMMUNICATIONS AND COLLABORATION	92,943	-	-	-	28,587	-	121,530
026646		INFRASTRUCTURE SERVICES	190,572	-	-	-	20,250	-	210,822
026680		CLIENT SUPPORT SERVICES	28,265	-	-	-	954	-	29,219
026740		IT SECURITY AND RISK MANAGEMENT	38,506	-	-	-	-	-	38,506
026742		IT SECURITY	131,796	-	-	-	4,792	-	136,588
026744		IT SECURITY RISK MANAGEMENT	64,618	-	-	-	16,682	-	81,300
026760		IT TRAINING	33,390	-	-	-	-	-	33,390
026772		TECHNOLOGY SUPPORT CENTER	107,834	-	-	-	95	-	107,929
026774		DESKTOP OPERATIONS	89,809	-	(1)	-	36,911	-	126,719

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026850	VP EXTERNAL AFFAIRS	-	-	42,369	-	-	-	42,369
026900	LEGAL DEPARTMENT - LKS	316,888	-	447	-	1,317	-	318,651
026905	COMPLIANCE DEPT	88,195	-	-	-	-	-	88,195
026910	GENERAL COUNSEL - LKS	42,039	-	-	-	-	-	42,039
026920	DIRECTOR - CORPORATE COMMUNICATION	42,504	-	-	-	-	-	42,504
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	52,058	-	-	-	-	-	52,058
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	143,834	-	-	-	1,207	-	145,041
027600	IT BUSINESS SERVICES	29,992	-	-	-	-	-	29,992
027610	IT PROJECT MANAGEMENT OFFICE	109,189	-	-	-	139,930	-	249,119
027620	IT BUSINESS ANALYSIS	91,306	-	-	-	74,169	-	165,476
027630	IT QUALITY ASSURANCE	28,938	-	-	-	9,637	-	38,575
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	67,700	-	-	-	(5,183)	-	62,517
027660	IT SERVICE MANAGEMENT	29,715	-	-	-	315	-	30,030
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	12,831	-	-	-	315	-	13,146
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	97,566	-	-	-	44,896	-	142,561
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	147,719	-	-	-	75,561	-	223,280
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	97,529	-	-	-	92,908	-	190,437
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	97,279	-	-	-	23,587	-	120,866
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	91,051	-	-	-	83,209	-	174,260
027870	IT DEVELOPMENT AND SUPPORT	42,835	-	-	-	34,316	-	77,151
029640	SVP ENERGY SUPPLY AND ANALYSIS	25,381	-	-	-	-	-	25,381
029660	DIRECTOR - POWER SUPPLY	88	-	-	-	-	-	88
029750	PROJECT ENGINEERING	1,326	-	-	-	-	-	1,326
	<b>Total 2019 Gas Labor</b>	<b>28,092,707</b>	<b>285,819</b>	<b>142,427</b>	<b>-</b>	<b>7,796,355</b>	<b>3,196,039</b>	<b>39,513,347</b>
	<b>Total Off-Duty</b>	<b>4,201,614</b>	<b>51,471</b>	<b>13,333</b>	<b>425</b>	<b>977,999</b>	<b>760,076</b>	<b>6,004,918</b>
	<b>Total Employee Benefits</b>	<b>10,777,712</b>	<b>71,270</b>	<b>31,135</b>	<b>1,223</b>	<b>2,639,085</b>	<b>1,925,175</b>	<b>15,445,600</b>
	<b>Total Payroll Taxes</b>	<b>2,517,203</b>	<b>9,494</b>	<b>7,376</b>	<b>321</b>	<b>653,759</b>	<b>429,216</b>	<b>3,617,369</b>
	<b>Total 2019 Gas Payroll Costs</b>	<b>45,589,236</b>	<b>418,055</b>	<b>194,270</b>	<b>1,969</b>	<b>12,067,197</b>	<b>6,310,506</b>	<b>64,581,233</b>
	<b>Total 2019 Electric and Gas Payroll Costs</b>	<b>158,302,710</b>	<b>1,710,250</b>	<b>719,937</b>	<b>19,247</b>	<b>40,474,994</b>	<b>27,374,246</b>	<b>228,501,385</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>Base Year Payroll Costs - Electric</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(18,522)	-	-	-	(5,046)	-	(23,568)
001075	TECH. AND SAFETY TRAINING DIST - LGE	52,508	-	-	-	-	-	52,508
001220	BUSINESS OFFICES - LGE	248,869	-	-	-	-	-	248,869
001280	METER READING - LGE	224,272	-	-	-	-	-	224,272
001295	FIELD SERVICE - LGE	1,515,920	-	-	-	219	-	1,516,140
001345	METER SHOP LGE	586,095	-	-	-	342,235	-	908,300
002041	LGE - CANE RUN 7 ALLOCATIONS	(4,052,280)	-	-	-	-	-	(4,052,280)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(163,884)	-	-	-	-	-	(163,884)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(507,705)	-	-	-	-	-	(507,705)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(8,614,060)	(155,496)	-	-	-	-	(8,769,556)
002080	CENT ENGINCONST MGMT	61,629	-	-	-	-	-	61,629
002120	OHIO FALLS	520,395	-	-	-	35,360	-	555,758
002130	CANE RUN CCGT - LGE	3,851,764	-	-	-	8,987	-	3,860,751
002140	OTH PROD OPR/MTCE	405,768	-	-	-	1,260	-	407,028
002320	MC-COMMON PLANT	7,640,592	7,246	-	-	52,147	-	7,899,985
002330	MC ENGINEERING AND TECHNICAL SERVICES	1,091,124	-	-	-	12,723	-	1,103,847
002340	MC COMMERCIAL OPERATIONS	149,394	-	-	-	-	169,816	319,210
002350	MC-LABORATORY	1,011,804	-	-	-	58,262	-	1,070,066
002401	GEN. MGR. MILL CREEK STATION	1,089,590	66,847	-	-	604	-	1,157,041
002480	MGR. MILL CREEK MAINTENANCE	1,592,762	844	-	-	481	-	1,594,087
002481	MILL CREEK MECHANICAL MAINTENANCE	2,040,630	367,209	247	-	60,576	-	2,468,662
002482	MILL CREEK I/E MAINTENANCE	2,388,999	109,507	441	-	26,912	-	2,526,858
002603	FINC & BUDGTNG-POWER PROD LG&E	277,721	-	-	-	-	-	277,721
002650	GENERAL MANAGER - TC	527,219	-	-	-	-	-	527,219
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	127,015	-	-	-	-	89,863	216,878
002680	TC ENGINEERING AND TECHNICAL SERVICES	1,153,099	-	-	-	28,940	-	1,182,039
002710	TC-LABORATORY	614,148	-	-	-	-	-	614,148
002720	TC OPERATIONS	1,358,864	35,851	-	-	55,750	-	1,450,465
002730	TC OPER-A WATCH	1,200,739	-	-	-	-	-	1,200,739
002740	TC OPER-B WATCH	1,204,667	-	-	-	-	-	1,204,667
002750	TC OPER-C WATCH	1,340,888	-	-	-	2,368	-	1,343,256
002760	TC OPER-D WATCH	1,292,867	-	-	-	1,562	-	1,294,429
002770	TC-MAINTENANCE SVCS	1,429,787	140,484	-	-	32,697	-	1,602,968
002780	TC-MAINTENANCE I/E	2,703,669	58,884	643	-	45,804	-	2,809,199
002790	TC-MTCE MECHANICAL	2,074,650	89,500	108	-	16,582	-	2,181,040
002820	MC-MATERIAL HANDLING	921,248	-	-	-	-	214	921,463
002840	TC-MATERIAL HANDLING	464,250	-	-	-	-	-	464,250
003030	SUBSTATION OPS.	621,119	-	-	-	25,561	110,641	757,321
003070	LGE TRANSMISSION LINES	58,929	-	-	-	-	-	58,929
003110	TRANSFORMERS SERVICES	181,502	-	-	-	193,682	-	375,183
003160	SC M LOUISVILLE	1,018,543	-	-	-	569,130	140,930	1,728,603
003200	NETWORK RESTORATION AND DISPATCH	20,000	-	-	-	-	-	20,000
003210	FORESTRY	288,020	-	-	-	-	-	288,020
003300	ELECTRIC CONSTRUCTION CREWS-ESC	758,265	-	1,625	-	136,124	45,778	941,791
003320	STREET LIGHTING-LGE	-	-	-	-	18,251	-	18,251
003385	LINE LOCATING	59,611	-	-	-	-	-	59,611
003400	ELECTRIC CONSTRUCTION CREWS-AOC	748,697	-	803	-	653,237	15,929	1,418,666
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	398	-	-	-	16,324	-	16,722
003430	NETWORK OPS. 3PH COMMERCIAL	163,432	-	-	-	275,524	666	439,623
003440	UNDERGROUND CONSTRUCTION	451,331	-	-	-	3,115,548	458,451	4,023,328
003450	MANAGER ELECTRIC DISTRIBUTION	1,630,879	-	215	-	7,015,707	432,961	9,079,763
003470	PERFORMANCE METRICS	-	-	-	-	-	285,392	285,392
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	280,560	-	-	-	497,725	48,021	826,326
004040	DISTRIBUTION DESIGN	41,182	-	-	-	507,108	1,080,557	1,628,847
004060	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	(810,061)	0	(810,061)
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	(239,798)	3,358	(236,440)
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	3,023	-	-	-	(902,648)	-	(899,624)
004220	SVC DEL-BARDSTOWN	-	-	-	-	(37,248)	-	(37,248)
004270	GAS DISPATCH	366	-	874	-	(50,446)	-	(49,206)
004280	GAS TROUBLE	-	-	-	-	(7,020)	-	(7,020)
004290	METER SHOP	-	-	-	-	(143,470)	-	(143,470)
004370	ASSET INFORMATION LGE	68,522	-	-	-	2,729	223,984	295,235
004390	GAS-ENGINEERS	415	-	-	-	(36,880)	564,385	524,931
004385	TRANSMISSION INTEGRITY & COMPLIANCE	-	-	-	-	(8,319)	-	(8,319)
004450	CORROSION CONTROL	4,890	-	-	-	(189,955)	(651)	(165,716)
004470	MULDRAUGH STORAGE	13,519	-	-	-	(162,194)	-	(148,674)
004475	DIR. GAS CONTROL AND STORAGE - LGE	-	-	-	-	(45)	-	(45)
004480	MAGNOLIA STORAGE	347	-	-	-	(93,608)	-	(93,261)
004490	GAS CONTROL	22,622	-	-	-	-	-	22,622
004500	INSTR., MEASUREMENT	17,327	-	-	-	(3,593)	-	13,734
004510	SYSTEM REGULATION OPERATION	8,641	141	-	-	(124,571)	-	(115,789)
004560	GAS PROCUREMENT	-	-	-	-	1,297	-	1,297
004600	GAS REGULATORY SERVICES	93	-	-	-	304	-	397
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	-	-	-	-	2,079	-	2,079
004620	PIPELINE SAFETY MANAGEMENT SYSTEMS	-	-	-	-	113	-	113
005310	FACILITIES MTCE	104,748	-	-	-	(1,190)	-	103,559
006250	CORPORATE	(2,482,598)	(1)	(4,504)	-	(16,691)	2,532,345	28,580
006264	TC IMEA/MPA PARTNER ALLOCATION	(2,499,394)	(42,341)	-	-	-	2,490,736	(50,999)
006630	LGE - TELECOMMUNICATIONS	224,382	-	-	30	825,719	106	850,236
008810	LGE - ELECTRIC DISTRIBUTION CHARGES	(14,000)	-	-	-	-	-	(14,000)
008811	EDO VP	(17,563)	-	-	-	-	-	(17,563)
008812	ELECTRIC CODES AND STANDARDS	(4,300)	-	-	-	-	-	(4,300)
008813	EDO ASSET INFORMATION	421	-	-	-	-	0	422
008820	LGE GENERATION CHARGES	66,796	-	-	-	-	-	66,796
008890	LGE OPERATING SERVICES CHARGES	5,198	-	-	-	(1,127)	34,071	38,143
008910	LGE IT CHARGES	62	-	-	-	16,903	-	16,964
008970	LGE ENVIRONMENTAL CHARGES	15,575	-	-	-	-	-	15,575
011061	AREA 1	66	-	-	-	-	-	66
011062	AREA 2	0	-	-	-	-	-	0
011090	SC AND M EARLINGTON	51	-	-	-	-	-	51
011370	FIELD SERVICES - KU	1,833	-	482	-	548	1,918	4,781
011580	EARLINGTON OPERATIONS CENTER	-	-	-	-	849	-	849
012050	SC AND M DANVILLE	-	-	-	-	(174)	-	(174)
012160	DANVILLE OPERATIONS CENTER	-	-	-	-	9,931	-	9,931
012360	RICHMOND OPERATIONS CENTER	-	-	-	-	627	-	627
012560	SHELBYVILLE OPERATIONS CENTER	-	-	-	-	273	-	273
013040	SC AND M LEXINGTON	-	-	-	-	(103)	-	(103)
013080	ELECTRIC SYSTEM RESTORATION AND DISTRIBUTION - KU	(19,585)	-	-	-	-	-	(19,585)
013150	LEXINGTON OPERATIONS CENTER	90	-	-	-	3,030	-	3,120
013680	MAYSVILLE OPERATIONS CENTER	-	-	-	-	1,801	-	1,801
014160	PINEVILLE OPERATIONS CENTER	-	-	769	-	(4,887)	-	(4,118)
014260	LONDON OPERATIONS CENTER	-	-	766	-	(3,971)	-	(3,205)

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
014370	ASSET INFORMATION - KU	4,853	-	-	-	2,941	337	8,130
014940	SC AND M PINEVILLE	-	-	247	-	-	-	247
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	37	-	37
015820	KU METER SHOP	-	-	-	-	441	-	441
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	-	-	-	-	(813)	-	(813)
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	(64)	-	(64)
015970	KU - TELECOMMUNICATIONS	325,267	-	-	-	257,110	-	582,377
016230	EWB OPER / RESULTS	-	-	-	-	1,582	-	1,582
016300	EWB COMBUSTION TURBINE	-	-	-	-	961	-	961
016380	SOLAR SHARE PROGRAM	5,302	-	-	-	-	-	5,302
016390	BROWN SOLAR	17,372	-	-	-	-	-	17,372
016520	GHENT - SUPERINTENDENT	22,574	-	-	-	-	-	22,574
016530	GHENT - COMMERCIAL	103	-	-	-	0	-	103
016550	GHENT - OPERATIONS SHIFTS	-	-	-	-	932	-	932
016720	KU - BRCT JOINT OWNERSHIP ALLOCATIONS	244,700	-	-	-	-	-	244,700
017660	NORTON OPERATIONS CENTER	-	-	-	-	(4,583)	-	(4,583)
018811	EDO VP	(23,282)	-	-	-	-	-	(23,282)
018812	ELECTRIC CODES AND STANDARDS	(4,300)	-	-	-	-	-	(4,300)
018813	EDO ASSET INFORMATION	422	-	-	-	-	-	422
018890	KU OPERATING SERVICES CHARGES	-	-	-	-	(1,216)	-	(1,216)
018910	KU IT CHARGES	-	-	-	-	(8,433)	-	(8,433)
018970	KU ENVIRONMENTAL CHARGES	9,874	-	-	-	-	-	9,874
021000	CHAIRMAN AND CEO	129,379	-	-	-	-	-	129,379
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	67,202	-	-	-	2,280	150,993	220,478
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	90,463	-	-	-	990	115,268	196,720
021017	ASSET INFORMATION & DATA ANALYTICS	3,254	-	-	-	-	7,268	10,523
021018	REGULATORY COMPLIANCE AND SPECIAL CONTRACTS	1,742	-	-	-	-	2,228	3,970
021019	DISTRIBUTION RELIABILITY	8,839	-	-	-	-	28,832	37,672
021035	VP CUSTOMER SERVICES - SERVCO	40,299	-	-	-	-	-	40,299
021055	VP ELECTRIC DISTRIBUTION - LKS	36,761	-	-	-	-	68,029	104,789
021070	DIRECTOR - ASSET MANAGEMENT	11,209	-	-	-	-	56,912	68,121
021071	SYSTEM ANALYSIS AND PLANNING - DIST	156,424	-	-	-	-	195,642	352,066
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	49,133	-	-	-	(33)	55,395	104,494
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	61,577	-	-	-	-	39,987	101,564
021075	ELECTRIC CODES AND STANDARDS	87,110	-	-	-	-	130,427	217,537
021076	ASSET INFORMATION-LKS	57,841	-	-	-	2,530	80,741	141,112
021078	PROTECTION & CONTROL ENGINEERING	42,155	-	-	-	-	110,577	152,732
021080	DISTRIBUTION SYSTEM ADMINISTRATION	106,497	-	-	-	23,951	-	130,448
021204	CCS RETAIL SUPPORT	359,942	-	-	96	(163)	-	359,875
021205	RESIDENTIAL SERVICE CENTER	1,924,853	-	-	-	8,315	2,994	1,936,161
021220	BUSINESS OFFICES	92,709	-	-	-	-	-	92,709
021221	CIVIC AFFAIRS	95,412	-	-	-	-	-	95,412
021225	BUSINESS SERVICE CENTER	337,985	-	-	-	-	-	337,985
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	78,104	-	-	-	-	-	78,104
021251	COMPLAINTS AND INQUIRY	81,763	-	-	-	-	-	81,763
021280	MANAGER - METER READING	137,920	-	-	-	-	-	137,920
021315	MANAGER, FIELD SERVICE OPERATIONS	277,550	-	-	-	-	-	277,550
021320	MANAGER - METER ASSET MANAGEMENT - LKS	131,057	-	-	-	(16,094)	-	114,963
021325	DIRECTOR REVENUE COLLECTION	41,543	-	-	-	-	-	41,543
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	352,233	-	-	-	(142)	-	352,091
021330	MANAGER REMITTANCE AND COLLECTION	185,731	-	-	-	-	-	185,731
021331	REVENUE ASSURANCE	89,635	-	-	-	-	-	89,635
021335	FEDERAL REGULATION & POLICY	102,789	-	-	-	-	-	102,789
021360	MANAGER BUSINESS SERVICES	380,029	-	-	-	(4,885)	-	375,144
021390	MANAGER MARKETING	(12,541)	-	-	-	-	-	(12,541)
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENC	79,364	-	-	-	-	-	79,364
021411	CS PROJECT SERVICES - LKS	78,269	58,348	-	-	11,782	-	149,399
021415	MANAGER, SMART GRID STRATEGY	48,363	71,336	-	-	-	-	119,699
021420	ENERGY EFFICIENCY OPERATIONS	15,528	137,287	-	-	-	-	152,793
021440	VP STATE REGULATION AND RATES	503,440	-	-	-	-	-	503,440
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	79,636	-	-	-	-	-	79,636
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	91,168	28,320	-	-	-	-	117,488
021900	PRESIDENT AND COO	111,520	-	-	-	-	-	111,520
021904	CHIEF OPERATING OFFICER	185,761	-	-	-	-	-	185,761
022020	GENERATION SUPPORT	2,168	-	-	-	-	-	2,168
022025	GENERATION TURBINE GENERATOR SPECIALIST	267,417	-	-	-	14,000	-	281,417
022060	DIRECTOR - GENERATION SERVICES	118,647	-	-	-	-	-	118,647
022085	MANAGER - SYSTEM LAB AND ENV. COMPL.	485,702	-	-	-	-	-	485,702
022070	RESEARCH AND DEVELOPMENT	164,758	-	-	-	-	-	164,758
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	556,529	-	-	-	-	-	556,529
022110	MANAGER - GENERATION ENGINEERING	1,035,304	-	-	-	-	-	1,035,304
022111	CIVIL ENGINEERING	98,525	-	-	-	-	-	98,525
022112	ELECTRICAL ENGINEERING	214,075	-	-	-	-	-	214,075
022113	MECHANICAL ENGINEERING	258,388	-	-	-	-	-	258,388
022114	PERFORMANCE ENGINEERING	133,893	-	-	-	-	-	133,893
022200	VP - POWER GENERATION	317,902	-	-	-	523	17,759	336,184
022210	DIRECTOR, COMMERCIAL OPERATIONS	69,295	-	-	-	14,802	63,966	148,064
022220	LKS - CANE RUN COMMERCIAL OPS	46,517	-	-	-	-	127,108	173,625
022230	LKS - MILL CREEK COMMERCIAL OPS	54,605	-	-	-	5,333	137,744	197,682
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	58,857	-	-	-	-	139,331	198,188
022250	LKS - GHENT COMMERCIAL OPS	48,303	-	-	-	0	90,543	138,846
022260	LKS - EW BROWN COMMERCIAL OPS	37,122	-	-	-	-	81,501	118,623
022270	LKS - RIVERPORT COMMERCIAL OPS	85,732	-	-	-	-	78,791	164,523
022800	DIRECTOR - FUELS MANAGEMENT	339,226	-	-	-	2,446	-	341,672
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	554,934	-	-	12,057	-	-	566,991
022970	GENERATION SYSTEM PLANNING	419,455	-	-	-	-	-	419,455
023000	VICE PRESIDENT - TRANSMISSION	93,167	-	-	-	-	-	93,167
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	16,279	-	-	-	-	59,914	76,193
023005	DIR TRANS STRATEGY & PLANNING	50,976	-	-	-	-	39,559	80,435
023010	DIRECTOR - TRANSMISSION	77,811	-	-	-	-	-	77,811
023020	TRANSMISSION SYSTEM OPERATIONS	1,046,455	-	-	-	-	3,938	1,050,393
023025	TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS	375,603	-	-	-	-	38,382	413,985
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	298,714	-	-	-	13,336	-	312,051
023050	TRANSMISSION STRATEGY & PLANNING	42,982	-	-	-	-	294,197	337,179
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	79,761	-	-	-	526	143,924	224,211
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	185,744	-	-	-	36,785	263,784	486,314
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	248,250	-	-	-	598,258	398,605	1,245,112
023070	MANAGER - TRANSMISSION LINES	118,984	-	-	-	350,579	692,717	1,163,279
023076	TRANSMISSION PROJECT MANAGEMENT	881	-	-	-	14,331	172,318	187,510
023090	TRANSMISSION POLICY & TARIFFS	126,595	-	-	-	-	-	126,595
023110	TRANSFORMER SERVICES	534	-	-	-	18,281	-	18,795
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	16,946	-	-	-	-	45,406	62,353
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	56,458	-	-	-	(994)	75,481	130,945
023210	LKS - FORESTRY	30,064	-	-	-	-	-	30,064

Expenditure Org	Expenditure Org Description	Below the Line					Total
		Operating	Mechanism	Other I/S	Capitalized	Other B/S	
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,312,292	-	-	49,888	752,788	2,115,067
023550	SUBSTATION ENGINEERING AND DESIGN	60,602	-	-	215,090	358,945	632,637
023551	DISTRIBUTION ASSETS & STANDARDS	5,188	-	-	1,198	190,944	197,329
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	34,684	-	-	-	18,671	53,355
023840	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	199,523	-	-	-	-	199,523
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	87,069	-	-	-	-	87,069
023815	SALES ANALYSIS & FORECASTING	196,956	-	-	-	-	196,956
025000	SVP HUMAN RESOURCES	110,653	-	-	-	-	110,653
025200	DIR - HUMAN RESOURCES	327,256	-	-	-	-	327,256
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	260,913	-	-	-	-	260,913
025300	DIRECTOR HR - CORPORATE	148,679	-	-	-	-	148,679
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	103,210	-	-	31,094	19,858	154,160
025415	IT SOURCING AND CONTRACT MANAGEMENT	233,679	-	-	344	744	234,767
025420	CORPORATE PURCHASING	170,848	1,015	-	-	218	172,081
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	197,071	-	-	4,616	82,130	283,817
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	(1,322)	(3,023)	-	2,442	221,179	219,276
025460	MANAGER - SUPPLIER DIVERSITY	43,101	-	-	2,310	-	45,411
025470	SARBANES OXLEY	62,621	-	-	-	-	62,621
025500	DIRECTOR OPERATING SERVICES	98,813	-	-	-	-	98,813
025510	CONTRACT MANAGER - XEROX CORP.	(47)	-	-	(6,901)	-	(6,948)
025530	MANAGER TRANSPORTATION	-	-	-	-	99,292	99,292
025550	MANAGER OFFICE FACILITIES	161,804	-	-	(37)	-	161,766
025551	FACILITY OPERATIONS NORTH	53,809	-	-	(1,455)	-	52,354
025552	FACILITY OPERATIONS CENTRAL	8,162	-	-	(557)	-	7,604
025553	FACILITY OPERATIONS SOUTH	46,139	-	-	-	-	46,139
025555	FACILITY OPERATIONS - LEXINGTON	32,531	-	-	(306)	-	32,225
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	29,457	-	-	-	-	29,457
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	55,670	-	-	(21,148)	153,450	187,971
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	222,704	-	-	9,710	-	232,414
025593	PROJECT PLANNING AND MANAGEMENT	84,504	-	178	190,350	-	255,032
025594	CORPORATE FACILITY SERVICES	35,815	-	-	-	-	35,815
025620	MANAGER HEALTH AND SAFETY	228,811	-	-	-	-	228,811
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,353,452	-	-	119	-	1,353,571
025660	STAFFING SERVICES	243,554	-	-	(1,594)	-	241,960
025670	COMPENSATION/HR POLICY & COMPLIANCE	97,290	-	-	-	-	97,290
025680	MANAGER BENEFITS AND RECORDS	188,888	-	-	62	-	188,950
025700	DIRECTOR - HUMAN RESOURCES	70,814	-	-	-	-	70,814
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	362,364	-	-	-	-	362,364
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	339,137	-	-	-	-	339,137
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	107,912	-	-	-	-	107,912
025775	HRIS	147,083	-	-	4,906	-	151,989
025780	MANAGER DIVERSITY STRATEGY	42,573	-	-	-	-	42,573
026020	FINANCIAL PLANNING & BUDGETING	109,996	-	-	-	-	109,996
026030	GENERATION, PE, AND SAFETY BUDGETING	104,733	-	-	56,913	-	161,646
026045	DIRECTOR CORPORATE TAX	271,132	-	-	6,280	-	277,413
026050	CFO	138,679	-	1,671	-	-	140,349
026080	MANAGER REVENUE ACCOUNTING	288,267	-	206	882	-	289,374
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	108,070	-	-	61,144	-	169,214
026120	MANAGER PROPERTY ACCOUNTING	288,347	-	-	(201)	-	288,147
026130	CONTROLLER	25,802	-	-	-	-	25,802
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	66,481	-	-	-	-	66,481
026140	MANAGER - FINANCIAL PLANNING	157,414	-	-	53,357	-	210,772
026145	SHARED SERVICES & CORPORATE BUDGETING	194,114	-	-	437	-	194,551
026155	FINANCIAL REPORTING	178,469	-	-	-	-	178,469
026160	REGULATORY ACCOUNTING AND REPORTING	191,873	-	-	718	-	192,892
026170	MANAGER - CUSTOMER ACCOUNTING	837,089	-	-	5,904	-	842,973
026175	TRANSMISSION, GAS, & ES BUDGETING	133,762	-	-	-	-	133,762
026190	CORPORATE ACCOUNTING	216,291	-	-	3,186	-	219,477
026200	SUPPLY CHAIN SUPPORT	217,510	-	-	6,350	27,283	251,143
026310	MANAGER PAYROLL	149,220	-	-	2,345	-	151,565
026330	TREASURER	103,168	-	-	-	-	103,168
026350	RISK MANAGEMENT	96,674	-	670	-	-	97,344
026370	CORPORATE FINANCE	139,729	-	-	-	-	139,729
026390	CREDIT/CONTRACT ADMINISTRATION	113,267	-	-	-	-	113,267
026400	AUDIT SERVICES	389,602	-	-	3,248	-	392,850
026490	CHIEF INFORMATION OFFICER	217,977	-	-	-	-	217,977
026492	SER IT CHARGES	-	-	-	15,333	-	15,333
026800	IT INFRASTRUCTURE AND OPERATIONS	305,987	-	-	257,295	-	563,281
026825	TRANSPORT ENGINEERING	321,831	-	-	435,562	444	757,837
026830	DATA NETWORKING	389,887	-	-	44,237	-	434,124
026835	WORKSTATION ENGINEERING	307,255	-	-	(26,300)	-	280,955
026838	IT CIP INFRASTRUCTURE	314,920	-	-	(35,411)	-	279,508
026837	DATA CENTER OPERATIONS	687,984	-	-	68,965	-	756,929
026838	GLOBAL NOC	163,834	-	-	17,500	-	181,434
026845	UNIFIED COMMUNICATIONS AND COLLABORATION	373,463	-	-	18,587	-	392,050
026846	INFRASTRUCTURE SERVICES	650,308	-	-	13,166	-	663,474
026890	CLIENT SUPPORT SERVICES	62,637	-	-	-	-	62,637
026740	IT SECURITY AND RISK MANAGEMENT	129,216	-	-	-	-	129,216
026742	IT SECURITY	460,212	-	-	5,186	-	465,398
026744	IT SECURITY RISK MANAGEMENT	283,918	-	-	20,028	-	303,946
026760	IT TRAINING	121,141	-	-	-	-	121,141
026772	TECHNOLOGY SUPPORT CENTER	356,549	-	-	258	-	356,804
026774	DESKTOP OPERATIONS	283,231	-	5	64,845	-	348,082
026850	VP EXTERNAL AFFAIRS	-	-	82,663	-	-	82,663
026900	LEGAL DEPARTMENT - LKS	778,972	-	-	23,071	-	802,042
026905	COMPLIANCE DEPT	296,363	-	-	-	-	296,363
026910	GENERAL COUNSEL - LKS	149,240	-	-	-	-	149,240
026920	DIRECTOR - CORPORATE COMMUNICATION	149,202	-	-	-	-	149,202
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	177,870	-	-	-	-	177,870
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	509,011	-	-	6,109	-	515,120
027600	IT BUSINESS SERVICES	128,464	-	-	-	-	128,464
027610	IT PROJECT MANAGEMENT OFFICE	285,748	742	-	101,410	-	387,900
027620	IT BUSINESS ANALYSIS	265,379	-	-	97,508	-	362,887
027630	IT QUALITY ASSURANCE	92,293	-	-	16,090	-	108,383
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	184,875	-	-	8,854	-	203,729
027660	IT SERVICE MANAGEMENT	109,021	-	-	301	-	109,322
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	24,237	-	-	-	-	24,237
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	266,818	-	-	123,349	-	390,167
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	405,823	-	-	145,561	-	551,484
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	400,690	-	-	91,888	-	492,578
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	322,284	-	-	37,466	-	359,750
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	358,035	-	-	62,421	-	420,456
027870	IT DEVELOPMENT AND SUPPORT	126,267	-	-	57,318	-	183,585
029640	SVP ENERGY SUPPLY AND ANALYSIS	105,142	-	-	20,324	-	125,466

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
029645	DATA ANALYTICS - LKS	(10,504)	-	-	-	-	-	(10,504)
029660	DIRECTOR - POWER SUPPLY	901,824	-	-	-	-	-	901,824
029750	PROJECT ENGINEERING	41,556	-	-	-	1,892,437	1,965	1,935,958
029760	GENERATION SAFETY	232,992	-	-	-	7	-	232,999
	<b>Total Base Year Electric Labor</b>	<b>66,862,465</b>	<b>971,678</b>	<b>88,433</b>	<b>12,271</b>	<b>17,254,545</b>	<b>14,643,548</b>	<b>101,832,941</b>
	<b>Total Off-Duty</b>	<b>10,403,635</b>	<b>131,367</b>	<b>26,040</b>	<b>1,154</b>	<b>2,506,387</b>	<b>2,039,111</b>	<b>15,107,594</b>
	<b>Total Employee Benefits</b>	<b>27,426,064</b>	<b>172,163</b>	<b>69,237</b>	<b>3,070</b>	<b>6,211,787</b>	<b>5,423,331</b>	<b>39,305,652</b>
	<b>Total Payroll Taxes</b>	<b>7,089,584</b>	<b>24,165</b>	<b>15,047</b>	<b>681</b>	<b>1,738,728</b>	<b>1,285,123</b>	<b>10,123,328</b>
	<b>Total Base Year Electric Payroll Costs</b>	<b>113,751,648</b>	<b>1,299,372</b>	<b>198,758</b>	<b>17,178</b>	<b>27,711,447</b>	<b>23,391,112</b>	<b>166,369,514</b>

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>Base Year Payroll Costs - Gas</b>								
000020	LG&E AND KU SERVICES COMPANY CORPORATE	(6,174)	-	-	-	(2,267)	-	(8,441)
001220	BUSINESS OFFICES - LGE	195,540	-	-	-	-	-	195,540
001280	METER READING - LGE	176,214	-	-	-	-	-	176,214
001295	FIELD SERVICE - LGE	137,903	-	-	-	(219)	-	137,684
001345	METER SHOP LGE	-	-	-	-	(47,989)	-	(47,989)
002120	OHIO FALLS	-	-	-	-	(76)	-	(76)
002130	CANE RUN CCGT - LGE	-	-	-	-	(30)	-	(30)
002320	MC-COMMON PLANT	-	-	-	-	(13,739)	-	(13,739)
002350	MC-LABORATORY	-	-	-	-	(18,091)	-	(18,091)
002480	MGR. MILL CREEK MAINTENANCE	-	-	-	-	(481)	-	(481)
002481	MILL CREEK MECHANICAL MAINTENANCE	-	-	82	-	(1,347)	-	(1,264)
002482	MILL CREEK I/E MAINTENANCE	-	-	147	-	(566)	-	(419)
002680	TC ENGINEERING AND TECHNICAL SERVICES	-	-	-	-	(1,396)	-	(1,396)
002720	TC OPERATIONS	-	-	-	-	(17,225)	-	(17,225)
002750	TC OPER-C WATCH	-	-	-	-	(7)	-	(7)
002760	TC OPER-D WATCH	3,778	-	-	-	-	-	3,778
002770	TC-MAINTENANCE SVCS	-	-	-	-	(10,889)	-	(10,889)
002780	TC-MAINTENANCE I/E	-	-	281	-	(6,426)	-	(6,145)
002790	TC-MTCE MECHANICAL	-	-	36	-	(280)	-	(244)
003030	SUBSTATION OPS	67	-	-	-	(15,212)	-	(15,144)
003110	TRANSFORMERS SERVICES	-	-	-	-	(6,518)	-	(6,518)
003160	SC M LOUISVILLE	633	-	-	-	(94,259)	-	(93,627)
003300	ELECTRIC CONSTRUCTION CREWS-ESC	-	-	542	-	(419,082)	-	(418,540)
003320	STREET LIGHTING-LGE	-	-	-	-	(44,481)	-	(44,481)
003385	LINE LOCATING	58,026	-	-	-	-	-	58,026
003400	ELECTRIC CONSTRUCTION CREWS-AOC	-	-	268	-	(448,348)	-	(448,081)
003410	JOINT TRENCH ENHANCE AND CONNECT NETWORK	-	-	-	-	(58,836)	-	(58,836)
003430	NETWORK OPS. 3PH COMMERCIAL	-	-	-	-	(376,709)	-	(376,709)
003440	UNDERGROUND CONSTRUCTION	-	-	-	-	(97,971)	-	(97,971)
003450	MANAGER ELECTRIC DISTRIBUTION	15,554	-	72	-	(194,250)	-	(178,824)
003470	PERFORMANCE METRICS	8,298	-	-	-	-	133,042	141,340
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	513	-	-	-	(85,918)	-	(85,406)
004040	DISTRIBUTION DESIGN	59,293	-	-	-	503,444	446,453	1,009,190
004060	GAS DIST. CONTRACT CONSTRUCTION	25,794	483	-	-	2,287,053	551,145	2,864,474
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	41,893	-	-	-	-	118,866	160,558
004140	MANAGER, GAS CONSTRUCTION	841	-	-	-	1,337,955	181,363	1,520,159
004190	GAS DIST OPRS-REPAIR AND MAINTAIN	2,010,695	168,044	-	-	3,028,528	230,517	5,437,785
004220	SVC DEL-BARDSTOWN	230,643	1,035	-	-	150,066	-	381,744
004270	GAS DISPATCH	740,784	925	291	-	208,506	404	950,910
004280	GAS TROUBLE	1,805,205	1,201	-	-	2,796	-	1,808,201
004290	METER SHOP	127,058	-	-	-	401,916	-	528,973
004370	ASSET INFORMATION LGE	95,477	-	-	-	1,226	303,736	400,439
004380	GAS-ENGINEERS	135,755	-	-	-	126,488	253,564	515,808
004385	TRANSMISSION INTEGRITY & COMPLIANCE	911,176	-	-	-	12,522	4,431	928,128
004450	CORROSION CONTROL	1,016,853	-	-	-	397,267	-	1,414,120
004470	MULDRAUGH STORAGE	2,422,776	6,189	-	-	387,631	78,317	2,894,912
004475	DIR. GAS CONTROL AND STORAGE - LGE	167,206	-	-	-	(20)	138,657	306,843
004480	MAGNOLIA STORAGE	1,874,464	3,820	-	-	209,065	41,894	2,129,243
004490	GAS CONTROL	1,357,966	-	-	-	-	71,221	1,429,207
004500	INSTR. MEASUREMENT	752,105	-	-	-	31,855	-	783,960
004510	SYSTEM REGULATION OPERATION	1,347,747	-	-	-	368,352	57,371	1,773,471
004560	GAS PROCUREMENT	700,945	-	-	-	583	-	701,528
004600	GAS REGULATORY SERVICES	837,301	-	-	-	137	-	837,438
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	332,558	-	-	-	934	-	333,492
004620	PIPELINE SAFETY MANAGEMENT SYSTEMS	360,600	-	-	-	51	-	360,651
004630	OPERATOR QUALIFICATIONS PROGRAM	354,633	-	-	-	-	-	354,633
004640	COMPLIANCE/ENVIRONMENTAL COORDINATOR	69,765	-	-	-	-	5,284	75,050
004700	DIRECTOR, GAS ASSET INTEGRITY MANAGEMENT AND COMPLIANCE	113,061	-	-	-	-	-	113,061
005310	FACILITIES MTCE	35,159	-	-	-	(534)	-	34,624
006250	CORPORATE	(738,122)	-	(1,501)	-	(7,502)	593,698	(153,436)
006930	LGE - TELECOMMUNICATIONS	98,748	-	10	-	274,845	4	373,607
008813	EDO ASSET INFORMATION	422	-	-	-	-	-	422
008815	LGE - GAS CHARGES	(57,558)	-	-	-	-	-	(57,558)
008818	LGE - GDO DIRECTOR GCS	(2,075)	-	-	-	-	-	(2,075)
008890	LGE OPERATING SERVICES CHARGES	5,737	-	-	-	(506)	34,071	39,302
008910	LGE IT CHARGES	21	-	-	-	7,594	-	7,614
011061	AREA 1	52	-	-	-	-	-	52
011062	AREA 2	0	-	-	-	-	-	0
011090	SC AND M EARLINGTON	23	-	-	-	-	-	23
011370	FIELD SERVICES - KU	-	-	161	-	246	-	407
011560	EARLINGTON OPERATIONS CENTER	-	-	-	-	381	-	381
012050	SC AND M DANVILLE	-	-	-	-	(78)	-	(78)
012160	DANVILLE OPERATIONS CENTER	-	-	-	-	4,462	-	4,462
012360	RICHMOND OPERATIONS CENTER	-	-	-	-	282	-	282
012560	SHELBYVILLE OPERATIONS CENTER	-	-	-	-	123	-	123
013040	SC AND M LEXINGTON	-	-	-	-	(317)	-	(317)
013150	LEXINGTON OPERATIONS CENTER	40	-	-	-	1,381	-	1,402
013660	MAYSVILLE OPERATIONS CENTER	-	-	-	-	809	-	809
014160	PINEVILLE OPERATIONS CENTER	-	-	256	-	(2,189)	-	(1,939)
014260	LONDON OPERATIONS CENTER	-	-	255	-	(1,764)	-	(1,529)
014370	ASSET INFORMATION - KU	311	-	-	-	1,321	-	1,632
014940	SC AND M PINEVILLE	-	-	82	-	-	-	82
015326	EARLINGTON MATERIAL LOGISTICS	-	-	-	-	17	-	17
015820	KU METER SHOP	-	-	-	-	198	-	198
015850	TRANSMISSION SUBSTATION ENGINEERING - KU	-	-	-	-	813	-	813
015865	TRANSMISSION SUBSTATION CONSTRUCTION - KU	-	-	-	-	(72)	-	(72)
015970	KU - TELECOMMUNICATIONS	146,059	-	-	-	115,026	-	261,086
016230	EWB OPER / RESULTS	-	-	-	-	711	-	711
016630	GHEINT - COMMERCIAL	-	-	-	-	0	-	0
016650	GHEINT - OPERATIONS SHIFTS	-	-	-	-	419	-	419
017660	NORTON OPERATIONS CENTER	-	-	-	-	(2,059)	-	(2,059)
018890	KU OPERATING SERVICES CHARGES	-	-	-	-	(546)	-	(546)
018910	KU IT CHARGES	-	-	-	-	(3,789)	-	(3,789)
021000	CHAIRMAN AND CEO	43,126	-	-	-	-	-	43,126
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	-	-	-	-	(15,405)	-	(15,405)
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	-	-	-	-	445	-	445
021035	VP CUSTOMER SERVICES - SERVCO	21,434	-	-	-	-	-	21,434
021070	DIRECTOR - ASSET MANAGEMENT	-	-	-	-	-	11,044	11,044
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	-	-	-	-	(15)	-	(15)
021076	ASSET INFORMATION-LKS	9,784	-	-	-	1,137	33,487	44,408
021080	DISTRIBUTION SYSTEM ADMINISTRATION	131,703	-	-	-	10,761	-	142,463
021204	CCS RETAIL SUPPORT	282,811	-	32	-	(73)	-	282,770

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
021205	RESIDENTIAL SERVICE CENTER	1,510,332	-	-	-	3,736	-	1,514,068
021220	BUSINESS OFFICES	72,843	-	-	-	-	-	72,843
021221	CIVIC AFFAIRS	74,966	-	-	-	-	-	74,966
021225	BUSINESS SERVICE CENTER	232,004	-	-	-	-	-	232,004
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	22,029	-	-	-	-	-	22,029
021251	COMPLAINTS AND INQUIRY	64,242	-	-	-	-	-	64,242
021280	MANAGER - METER READING	108,366	-	-	-	-	-	108,366
021315	MANAGER - FIELD SERVICE OPERATIONS	166,475	-	-	-	-	-	166,475
021320	MANAGER - METER ASSET MANAGEMENT - LKS	82,924	-	-	-	-	-	82,924
021325	DIRECTOR REVENUE COLLECTION	32,641	-	-	-	-	-	32,641
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	99,640	-	-	-	(64)	-	99,576
021330	MANAGER REMITTANCE AND COLLECTION	145,931	-	-	-	-	-	145,931
021331	REVENUE ASSURANCE	70,428	-	-	-	-	-	70,428
021335	FEDERAL REGULATION & POLICY	34,263	-	-	-	-	-	34,263
021360	MANAGER BUSINESS SERVICES	288,049	-	-	-	(2,195)	-	285,854
021390	MANAGER MARKETING	(3,537)	-	-	-	-	-	(3,537)
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENC	22,385	-	-	-	-	-	22,385
021411	CS PROJECT SERVICES - LKS	26,090	-	-	-	5,293	-	31,383
021415	MANAGER, SMART GRID STRATEGY	13,641	-	4,650	-	-	-	18,290
021420	ENERGY EFFICIENCY OPERATIONS	4,379	46,899	-	-	-	-	51,378
021440	VP STATE REGULATION AND RATES	171,937	-	-	-	-	-	171,937
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	26,545	-	-	-	-	-	26,545
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	25,714	8,434	-	-	-	-	34,148
021800	PRESIDENT AND COO	37,173	-	-	-	-	-	37,173
022200	VP - POWER GENERATION	-	-	-	-	235	-	235
022210	DIRECTOR, COMMERCIAL OPERATIONS	-	-	-	-	6,650	-	6,650
022230	LKS - MILL CREEK COMMERCIAL OPS	-	-	-	-	2,396	-	2,396
022250	LKS - GHENT COMMERCIAL OPS	-	-	-	-	0	-	0
022800	DIRECTOR - FUELS MANAGEMENT	-	-	-	-	1,099	-	1,099
023000	VICE PRESIDENT - TRANSMISSION	192	-	-	-	-	-	192
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	-	-	-	-	5,574	-	5,574
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	-	-	-	-	236	-	236
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	-	-	-	-	4,448	-	4,448
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	-	(1,759)	-	(1,759)
023070	MANAGER - TRANSMISSION LINES	-	-	-	-	9,061	-	9,061
023076	TRANSMISSION PROJECT MANAGEMENT	-	-	-	-	(666)	-	(666)
023200	01 DIRECTOR LG&E DISTRIBUTION OPS	-	-	-	-	(8,073)	-	(8,073)
023220	MGR SYSTEM RESTORATION AND OPERATIONS	-	-	-	-	(8,409)	-	(8,409)
023550	SUBSTATION ENGINEERING AND DESIGN	-	-	-	-	(76,901)	-	(76,901)
023551	DISTRIBUTION ASSETS & STANDARDS	-	-	-	-	(1,557)	-	(1,557)
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	74,997	-	-	-	-	-	74,997
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	3,955	-	-	-	-	-	3,955
023815	SALES ANALYSIS & FORECASTING	15,945	-	-	-	-	-	15,945
024000	VP - GAS DISTRIBUTION	165,184	-	-	-	-	115,335	280,519
024475	GAS STORAGE, CONTROL AND COMPLIANCE	79,308	-	-	-	-	172,624	251,932
025000	SVP HUMAN RESOURCES	36,885	-	-	-	-	-	36,885
025200	DIR - HUMAN RESOURCES	109,085	-	-	-	-	-	109,085
025300	DIRECTOR HR - CORPORATE	49,560	-	-	-	-	-	49,560
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	34,403	-	-	-	13,970	614	48,987
025415	IT SOURCING AND CONTRACT MANAGEMENT	77,671	-	-	-	155	-	77,826
025420	CORPORATE PURCHASING	58,949	508	-	-	98	-	57,555
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	65,890	-	-	-	2,074	2,540	70,304
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	(441)	-	-	-	1,097	227	(62)
025460	MANAGER - SUPPLIER DIVERSITY	14,367	(1,511)	-	-	1,038	-	15,405
025470	SARBANES OXLEY	20,874	-	-	-	-	-	20,874
025500	DIRECTOR OPERATING SERVICES	32,938	-	-	-	-	-	32,938
025510	CONTRACT MANAGER - XEROX CORP.	(16)	-	-	-	(3,100)	-	(3,116)
025530	MANAGER TRANSPORTATION	-	-	-	-	-	23,291	23,291
025550	MANAGER OFFICE FACILITIES	53,935	-	-	-	(17)	-	53,918
025551	FACILITY OPERATIONS NORTH	17,936	-	-	-	(654)	-	17,283
025552	FACILITY OPERATIONS CENTRAL	2,721	-	-	-	(250)	-	2,470
025553	FACILITY OPERATIONS SOUTH	15,380	-	-	-	-	-	15,380
025555	FACILITY OPERATIONS - LEXINGTON	10,844	-	-	-	(138)	-	10,706
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	9,819	-	-	-	-	-	9,819
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	38,240	-	-	-	64,575	162,473	265,288
025580	CORPORATE SECURITY / BUSINESS CONTINUITY	74,235	-	-	-	4,363	-	78,597
025593	PROJECT PLANNING AND MANAGEMENT	21,460	-	59	-	85,493	-	107,013
025594	CORPORATE FACILITY SERVICES	11,980	-	-	-	-	-	11,980
025620	MANAGER HEALTH AND SAFETY	76,270	-	-	-	-	-	76,270
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	(721)	-	-	-	-	-	(721)
025660	STAFFING SERVICES	81,185	-	-	-	(716)	-	80,469
025670	COMPENSATION/HR POLICY & COMPLIANCE	32,430	-	-	-	-	-	32,430
025680	MANAGER BENEFITS AND RECORDS	62,963	-	-	-	28	-	62,991
025700	DIRECTOR - HUMAN RESOURCES	23,605	-	-	-	-	-	23,605
025730	GAS SAFETY AND TECHNICAL TRAINING	873,181	-	-	-	-	-	873,181
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	35,971	-	-	-	-	-	35,971
025775	HRIS	49,028	-	-	-	2,204	-	51,232
025780	MANAGER DIVERSITY STRATEGY	14,191	-	-	-	-	-	14,191
026020	FINANCIAL PLANNING & BUDGETING	36,665	-	-	-	-	-	36,665
026030	GENERATION, PE, AND SAFETY BUDGETING	34,738	-	-	-	(13,882)	-	20,877
026045	DIRECTOR CORPORATE TAX	90,377	-	-	-	2,822	-	93,199
026050	CFO	46,226	-	557	-	-	-	46,783
026080	MANAGER REVENUE ACCOUNTING	98,096	-	69	-	399	-	98,560
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	36,023	-	-	-	27,471	-	63,494
026120	MANAGER PROPERTY ACCOUNTING	96,116	-	-	-	(90)	-	96,026
026130	CONTROLLER	7,347	-	-	-	-	-	7,347
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	22,160	-	-	-	-	-	22,160
026140	MANAGER - FINANCIAL PLANNING	52,471	-	-	-	23,972	-	76,444
026145	SHARED SERVICES & CORPORATE BUDGETING	64,705	-	-	-	196	-	64,901
026155	FINANCIAL REPORTING	59,490	-	-	-	-	-	59,490
026160	REGULATORY ACCOUNTING AND REPORTING	63,981	-	-	-	323	-	64,314
026170	MANAGER - CUSTOMER ACCOUNTING	500,555	-	-	-	2,852	-	503,207
026175	TRANSMISSION, GAS, & ES BUDGETING	152,516	-	-	-	-	-	152,516
026180	CORPORATE ACCOUNTING	72,097	-	-	-	1,431	-	73,528
026200	SUPPLY CHAIN SUPPORT	72,503	-	-	-	2,853	646	76,002
026310	MANAGER PAYROLL	49,740	-	-	-	1,054	-	50,793
026330	TREASURER	34,389	-	-	-	-	-	34,389
026350	RISK MANAGEMENT	32,225	-	223	-	-	-	32,448
026370	CORPORATE FINANCE	46,576	-	-	-	-	-	46,576
026390	CREDIT/CONTRACT ADMINISTRATION	37,756	-	-	-	-	-	37,756
026400	AUDIT SERVICES	129,867	-	-	-	1,459	-	131,327
026490	CHIEF INFORMATION OFFICER	72,659	-	-	-	-	-	72,659
026492	SER IT CHARGES	-	-	-	-	6,889	-	6,889
026600	IT INFRASTRUCTURE AND OPERATIONS	101,988	-	-	-	115,596	-	217,592

Expenditure		Operating	Mechanism	Below the			Capitalized	Other B/S	Total
Org	Expenditure Org Description			Line	Other I/S	Line			
026625	TRANSPORT ENGINEERING	107,161	-	-	-	195,378	-	302,539	
026630	DATA NETWORKING	129,912	-	-	-	19,723	-	149,635	
026635	WORKSTATION ENGINEERING	102,418	-	-	-	(11,816)	-	90,602	
026636	IT CIP INFRASTRUCTURE	104,973	-	-	-	3,599	-	108,572	
026637	DATA CENTER OPERATIONS	229,321	-	-	-	30,984	-	260,306	
026638	GLOBAL NOC	54,645	-	-	-	7,863	-	62,507	
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	124,488	-	-	-	8,351	-	132,838	
026646	INFRASTRUCTURE SERVICES	216,769	-	-	-	5,915	-	222,684	
026680	CLIENT SUPPORT SERVICES	20,879	-	-	-	-	-	20,879	
026740	IT SECURITY AND RISK MANAGEMENT	43,072	-	-	-	-	-	43,072	
026742	IT SECURITY	153,404	-	-	-	2,330	-	155,734	
026744	IT SECURITY RISK MANAGEMENT	94,639	-	-	-	8,998	-	103,637	
026760	IT TRAINING	40,380	-	-	-	-	-	40,380	
026772	TECHNOLOGY SUPPORT CENTER	118,850	-	-	-	115	-	118,964	
026774	DESKTOP OPERATIONS	94,412	-	2	-	29,133	-	123,547	
026850	VP EXTERNAL AFFAIRS	-	-	125,889	-	-	-	125,889	
026900	LEGAL DEPARTMENT - LKS	318,378	-	-	-	(5,309)	-	313,068	
026905	COMPLIANCE DEPT	88,788	-	-	-	-	-	88,788	
026910	GENERAL COUNSEL - LKS	49,747	-	-	-	-	-	49,747	
026920	DIRECTOR - CORPORATE COMMUNICATION	49,734	-	-	-	-	-	49,734	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	59,290	-	-	-	-	-	59,290	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	169,670	-	-	-	2,745	-	172,415	
027600	IT BUSINESS SERVICES	42,821	-	-	-	-	-	42,821	
027610	IT PROJECT MANAGEMENT OFFICE	95,249	-	-	-	59,914	-	155,163	
027620	IT BUSINESS ANALYSIS	88,460	-	-	-	43,608	-	132,068	
027630	IT QUALITY ASSURANCE	30,764	-	-	-	7,229	-	37,993	
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	64,958	-	-	-	3,978	-	68,936	
027660	IT SERVICE MANAGEMENT	36,340	-	-	-	135	-	36,475	
027800	IT APPLICATION PLANNING, EXECUTION AND SUPPORT	8,079	-	-	-	-	-	8,079	
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	88,939	-	-	-	55,417	-	144,357	
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	135,308	-	-	-	65,397	-	200,705	
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	133,563	-	-	-	41,283	-	174,846	
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	107,428	-	-	-	16,833	-	124,261	
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	119,345	-	-	-	28,044	-	147,389	
027870	IT DEVELOPMENT AND SUPPORT	42,089	-	-	-	25,751	-	67,841	
029640	SVP ENERGY SUPPLY AND ANALYSIS	13,110	-	-	-	(5,039)	-	8,070	
029660	DIRECTOR - POWER SUPPLY	47,089	-	-	-	-	-	47,089	
029750	PROJECT ENGINEERING	-	-	-	-	(462,913)	-	(462,913)	
029760	GENERATION SAFETY	190	-	-	-	(7)	-	183	
<b>Total Base Year Gas Labor</b>		<b>23,606,242</b>	<b>240,776</b>	<b>127,812</b>	<b>-</b>	<b>8,339,140</b>	<b>3,767,111</b>	<b>42,081,081</b>	
<b>Total Off-Duty</b>		<b>4,299,119</b>	<b>54,285</b>	<b>10,761</b>	<b>477</b>	<b>1,035,730</b>	<b>842,635</b>	<b>6,243,008</b>	
<b>Total Employee Benefits</b>		<b>11,333,449</b>	<b>71,144</b>	<b>28,611</b>	<b>1,269</b>	<b>2,566,936</b>	<b>2,241,118</b>	<b>16,242,527</b>	
<b>Total Payroll Taxes</b>		<b>2,917,277</b>	<b>9,986</b>	<b>6,218</b>	<b>281</b>	<b>718,506</b>	<b>531,060</b>	<b>4,183,328</b>	
<b>Total Base Year Gas Payroll Costs</b>		<b>48,156,087</b>	<b>376,191</b>	<b>173,402</b>	<b>2,027</b>	<b>12,660,312</b>	<b>7,381,924</b>	<b>68,749,944</b>	
<b>Total Base Year Electric and Gas Payroll Costs</b>		<b>161,907,735</b>	<b>1,675,564</b>	<b>372,160</b>	<b>19,203</b>	<b>40,371,769</b>	<b>30,773,036</b>	<b>235,119,468</b>	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
<b>Test Year Payroll Costs - Electric</b>								
001075	TECH. AND SAFETY TRAINING DIST - LGE	41,791	-	-	-	-	-	41,791
001220	BUSINESS OFFICES - LGE	335,489	-	-	-	-	-	335,489
001280	METER READING - LGE	226,748	-	-	-	-	-	226,748
001295	FIELD SERVICE - LGE	1,696,267	-	-	-	-	-	1,696,267
001345	METER SHOP LGE	846,607	-	-	-	452,746	-	1,299,353
002041	LGE - CANE RUN 7 ALLOCATIONS	(4,174,555)	-	-	-	-	-	(4,174,555)
002042	LGE - PADDYS RUN 13 ALLOCATIONS	(192,769)	-	-	-	-	-	(192,769)
002043	LGE - TRIMBLE COUNTY CTS ALLOCATIONS	(611,093)	-	-	-	-	-	(611,093)
002044	LGE - TRIMBLE COUNTY STEAM ALLOCATIONS	(9,065,685)	(194,496)	-	-	-	-	(9,260,181)
002060	CENT ENGI/CONST MGMT	61,959	-	-	-	-	-	61,959
002120	OHIO FALLS	513,675	-	-	-	-	-	513,675
002130	CANE RUN CCGT - LGE	4,066,399	-	-	-	-	-	4,066,399
002140	OTH PROD OPR/MTCE	410,148	-	-	-	-	-	410,148
002320	MC-COMMON PLANT	7,712,004	-	-	-	-	-	7,712,004
002330	MC ENGINEERING AND TECHNICAL SERVICES	1,270,215	-	-	-	-	-	1,270,215
002340	MC COMMERCIAL OPERATIONS	132,166	-	-	-	-	170,828	302,995
002350	MC-LABORATORY	1,079,095	-	-	-	-	-	1,079,095
002401	GEN. MGR. MILL CREEK STATION	1,350,650	-	-	-	-	-	1,350,650
002480	MGR. MILL CREEK MAINTENANCE	1,735,734	-	-	-	-	-	1,735,734
002481	MILL CREEK MECHANICAL MAINTENANCE	2,511,622	2	-	-	-	-	2,511,624
002482	MILL CREEK I/E MAINTENANCE	2,653,477	-	-	-	-	-	2,653,477
002603	FINC & BUDGTNG-POWER PROD LG&E	283,472	-	-	-	-	-	283,472
002650	GENERAL MANAGER - TC	1,455,159	-	-	-	-	-	1,455,159
002670	TRIMBLE COUNTY - COMMERCIAL OPERATIONS	135,281	-	-	-	-	109,801	245,082
002680	TC ENGINEERING AND TECHNICAL SERVICES	1,355,551	89,682	-	-	-	-	1,445,233
002710	TC-LABORATORY	616,394	-	-	-	-	-	616,394
002720	TC OPERATIONS	1,455,187	60,633	-	-	-	-	1,515,820
002730	TC OPER-A WATCH	1,298,431	-	-	-	-	-	1,298,431
002740	TC OPER-B WATCH	1,285,894	-	-	-	-	-	1,285,894
002750	TC OPER-C WATCH	1,454,954	-	-	-	-	-	1,454,954
002760	TC OPER-D WATCH	1,393,468	-	-	-	-	-	1,393,468
002770	TC-MAINTENANCE SVCS	1,610,857	121,247	-	-	-	-	1,732,104
002780	TC-MAINTENANCE I/E	2,106,432	26,751	-	-	-	-	2,133,183
002790	TC-MTCE MECHANICAL	2,305,400	103,963	-	-	-	-	2,409,363
002820	MC-MATERIAL HANDLING	973,459	-	-	-	-	-	973,459
002840	TC-MATERIAL HANDLING	455,736	-	-	-	-	-	455,736
003030	SUBSTATION OPS.	671,667	-	-	-	-	200,830	872,497
003070	LGE TRANSMISSION LINES	82,996	-	-	-	-	-	82,996
003110	TRANSFORMERS SERVICES	220,551	-	-	-	313,930	-	534,481
003160	SC M LOUISVILLE	1,063,915	-	-	-	358,977	164,400	1,587,292
003210	FORESTRY	144,023	-	-	-	-	-	144,023
003365	LINE LOCATING	57,496	-	-	-	-	-	57,496
003440	UNDERGROUND CONSTRUCTION	728,328	-	-	-	2,779,292	507,500	4,015,120
003450	MANAGER ELECTRIC DISTRIBUTION	3,386,071	-	-	-	5,941,653	406,000	9,743,723
003470	PERFORMANCE METRICS	-	-	-	-	-	272,597	272,597
003560	SUBSTATION RELAY, PROTECTION & CONTROL - LGE	315,675	-	-	-	382,625	68,816	768,116
004040	DISTRIBUTION DESIGN	-	-	-	-	661,794	1,224,558	1,886,350
004060	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	100,362	-	100,362
004370	ASSET INFORMATION LGE	62,939	-	-	-	-	194,590	257,529
004380	GAS-ENGINEERS	-	-	-	-	-	683,531	683,531
004385	TRANSMISSION INTEGRITY & COMPLIANCE	10,940	-	-	-	-	-	10,940
004470	MULDRAUGH STORAGE	33,719	-	-	-	-	-	33,719
004490	GAS CONTROL	43,000	-	-	-	-	-	43,000
004500	INSTR., MEASUREMENT	34,000	-	-	-	-	-	34,000
004510	SYSTEM REGULATION OPERATION	26,805	-	-	-	-	-	26,805
005310	FACILITIES MTCE	101,018	-	-	-	-	-	101,018
006250	CORPORATE	(2,892,849)	-	-	-	-	2,509,213	(383,636)
006264	TC IMEA/MPA PARTNER ALLOCATION	(2,372,466)	(51,945)	-	-	-	2,424,414	(0)
006630	LGE - TELECOMMUNICATIONS	202,365	-	-	-	185,001	-	387,366
008890	LGE OPERATING SERVICES CHARGES	31,657	-	-	-	-	207,493	239,150
015970	KU - TELECOMMUNICATIONS	299,884	-	-	-	-	-	299,884
016720	KU - BROCT JOINT OWNERSHIP ALLOCATIONS	269,169	-	-	-	-	-	269,169
021000	CHAIRMAN AND CEO	234,432	-	-	-	-	-	234,432
021015	01 DIRECTOR SYSTEMS, OPS AND PLANNING	8,203	-	-	-	-	94,133	102,335
021016	DISTRIBUTION ANALYTICS & RESOURCE PLANNING	42,337	-	-	-	-	127,010	169,346
021017	ASSET INFORMATION & DATA ANALYTICS	14,580	-	-	-	-	43,811	58,390
021018	REGULATORY COMPLIANCE AND SPECIAL CONTRACTS	37,511	-	-	-	-	12,349	49,859
021019	DISTRIBUTION RELIABILITY	53,831	-	-	-	-	179,592	233,423
021035	VP CUSTOMER SERVICES - SERVCO	(136,932)	-	-	-	-	-	(136,932)
021055	VP ELECTRIC DISTRIBUTION - LKS	(108,695)	-	-	-	-	-	(108,695)
021070	DIRECTOR - ASSET MANAGEMENT	12,040	-	-	-	-	57,581	69,621
021071	SYSTEM ANALYSIS AND PLANNING - DIST	132,010	-	-	-	-	201,801	333,811
021072	ELECTRICAL ENGINEERING AND PLANNING GROUP - LKS	54,266	-	-	-	-	72,756	127,025
021073	DIST SYSTEMS, COMPLIANCE AND EMER PREP	57,224	-	-	-	-	69,986	127,210
021075	ELECTRIC CODES AND STANDARDS	70,090	-	-	-	-	139,797	209,887
021076	ASSET INFORMATION-LKS	36,536	-	-	-	-	124,172	160,808
021078	PROTECTION & CONTROL ENGINEERING	58,308	-	-	-	-	123,886	182,204
021080	DISTRIBUTION SYSTEM ADMINISTRATION	135,384	-	-	-	-	-	135,384
021204	CCS RETAIL SUPPORT	378,888	-	-	-	-	-	378,888
021205	RESIDENTIAL SERVICE CENTER	2,079,490	-	-	-	-	-	2,079,490
021220	BUSINESS OFFICES	88,937	-	-	-	-	-	88,937
021221	CIVIC AFFAIRS	94,711	-	-	-	-	-	94,711
021225	BUSINESS SERVICE CENTER	362,493	-	-	-	-	-	362,493
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	80,257	-	-	-	-	-	80,257
021251	COMPLAINTS AND INQUIRY	96,174	-	-	-	-	-	96,174
021280	MANAGER - METER READING	144,009	-	-	-	-	-	144,009
021315	MANAGER, FIELD SERVICE OPERATIONS	289,918	-	-	-	-	-	289,918
021320	MANAGER - METER ASSET MANAGEMENT - LKS	179,840	-	-	-	54,966	-	234,806
021325	DIRECTOR REVENUE COLLECTION	43,233	-	-	-	-	-	43,233
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	396,687	-	-	-	-	-	396,687
021330	MANAGER REMITTANCE AND COLLECTION	310,392	-	-	-	-	-	310,392
021335	FEDERAL REGULATION & POLICY	121,179	-	-	-	-	-	121,179
021360	MANAGER BUSINESS SERVICES	375,652	-	-	-	-	-	375,652
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENC	79,269	-	-	-	-	-	79,269
021411	CS PROJECT SERVICES - LKS	55,734	-	-	-	222,815	-	278,549
021415	MANAGER, SMART GRID STRATEGY	-	287,228	-	-	-	-	287,228
021420	ENERGY EFFICIENCY OPERATIONS	48,345	-	-	-	-	-	48,345
021440	VP STATE REGULATION AND RATES	502,098	-	-	-	-	-	502,098
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	74,364	-	-	-	-	-	74,364
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	128,496	-	-	-	-	-	128,496
021904	CHIEF OPERATING OFFICER	128,044	-	-	-	-	-	128,044
022025	GENERATION TURBINE GENERATOR SPECIALIST	278,499	-	-	-	13,000	-	291,499

Expenditure Org	Expenditure Org Description	Below the					Total
		Operating	Mechanism	Line	Other I/S	Capitalized	
022060	DIRECTOR - GENERATION SERVICES	162,687	-	-	-	-	162,687
022065	MANAGER - SYSTEM LAB AND ENV. COMPL.	459,378	-	-	-	-	459,378
022070	RESEARCH AND DEVELOPMENT	165,399	-	-	-	-	165,399
022080	MANAGER, COMPLIANCE AND DOCUMENT MANAGEMENT	527,273	-	-	-	-	527,273
022110	MANAGER - GENERATION ENGINEERING	524,966	-	-	-	-	524,966
022112	ELECTRICAL ENGINEERING	517,071	-	-	-	-	517,071
022113	MECHANICAL ENGINEERING	635,394	-	-	-	-	635,394
022114	PERFORMANCE ENGINEERING	319,104	-	-	-	-	319,104
022200	VP - POWER GENERATION	(418,408)	-	-	-	15,930	(402,477)
022210	DIRECTOR, COMMERCIAL OPERATIONS	68,440	-	-	-	-	68,440
022220	LKS - CANE RUN COMMERCIAL OPS	26,452	-	-	-	-	26,452
022230	LKS - MILL CREEK COMMERCIAL OPS	37,498	-	-	-	-	37,498
022240	LKS - TRIMBLE COUNTY COMMERCIAL OPS	30,562	-	-	-	-	30,562
022250	LKS - GHENT COMMERCIAL OPS	39,051	-	-	-	-	39,051
022260	LKS - EW BROWN COMMERCIAL OPS	29,451	-	-	-	-	29,451
022270	LKS - RIVERPORT COMMERCIAL OPS	83,201	-	-	-	-	83,201
022800	DIRECTOR - FUELS MANAGEMENT	279,787	-	-	-	-	279,787
022810	DIRECTOR - CORPORATE FUELS AND BY PRODUCTS	452,518	-	-	13,200	-	465,718
022970	GENERATION SYSTEM PLANNING	327,672	-	-	-	-	327,672
023000	VICE PRESIDENT - TRANSMISSION	75,292	-	-	-	-	75,292
023003	DIRECTOR TRANSMISSION ENGINEERING & CONSTRUCTION	7,334	-	-	-	66,003	73,337
023005	DIR TRANS STRATEGY & PLANNING	89,131	-	-	-	-	89,131
023010	DIRECTOR - TRANSMISSION	82,942	-	-	-	-	82,942
023020	TRANSMISSION SYSTEM OPERATIONS	1,111,857	-	-	-	22,945	1,134,802
023025	TRANS OPERATIONS ENGINEERING & OUTAGE COORDINATION - LKS	345,581	-	-	-	62,147	407,728
023040	TRANSMISSION ENERGY MANAGEMENT SYSTEMS	317,795	-	-	-	-	317,795
023050	TRANSMISSION STRATEGY & PLANNING	287,143	-	-	-	111,667	398,809
023055	TRANSMISSION RELIABILITY PERFORMANCE/STANDARDS-LKS	91,999	-	-	-	150,103	242,101
023060	TRANSMISSION SUBSTATION ENGINEERING - LKS	258,134	-	-	-	171,482	429,617
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	323,213	-	-	-	245,727	568,940
023070	MANAGER - TRANSMISSION LINES	200,167	-	-	-	356,031	556,198
023076	TRANSMISSION PROJECT MANAGEMENT	1,131	-	-	-	225,032	226,163
023090	TRANSMISSION POLICY & TARIFFS	126,840	-	-	-	-	126,840
023110	TRANSFORMER SERVICES	11,806	-	-	-	49,548	61,354
023130	MANAGER SUBSTATION CONSTRUCTION AND MAINTENANCE	30,570	-	-	-	46,563	77,133
023200	01 DIRECTOR L&E DISTRIBUTION OPS	9,429	-	-	-	142,963	152,392
023210	LKS - FORESTRY	79,787	-	-	-	-	79,787
023220	MGR SYSTEM RESTORATION AND OPERATIONS	1,344,640	-	-	-	60,000	1,404,640
023550	SUBSTATION ENGINEERING AND DESIGN	17,905	-	-	-	79,013	96,918
023551	DISTRIBUTION ASSETS & STANDARDS	7,764	-	-	-	-	7,764
023560	SUBSTATION RELAY, PROTECTION & CONTROL (SERVCO)	17,458	-	-	-	30,555	48,013
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	181,915	-	-	-	-	181,915
023800	ENERGY PLANNING ANALYSIS AND FORECASTING	97,076	-	-	-	-	97,076
023815	SALES ANALYSIS & FORECASTING	211,933	-	-	-	-	211,933
025000	SVP HUMAN RESOURCES	97,982	-	-	-	-	97,982
025200	DIR - HUMAN RESOURCES	350,002	-	-	-	-	350,002
025210	TECHNICAL TRAINING GENERATION AND TRANSMISSION	228,422	-	-	-	-	228,422
025300	DIRECTOR HR - CORPORATE	159,510	-	-	-	-	159,510
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	152,106	-	-	-	17,106	169,212
025415	IT SOURCING AND CONTRACT MANAGEMENT	243,930	-	-	-	-	243,930
025420	CORPORATE PURCHASING	181,360	-	-	-	-	181,360
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	224,209	-	-	-	86,617	310,826
025450	MANAGER MATERIAL SERVICES AND LOGISTICS	-	-	-	-	291,812	291,812
025460	MANAGER - SUPPLIER DIVERSITY	50,476	-	-	-	-	50,476
025470	SARBANES OXLEY	65,418	-	-	-	-	65,418
025500	DIRECTOR OPERATING SERVICES	98,378	-	-	-	-	98,378
025530	MANAGER TRANSPORTATION	-	-	-	-	101,063	101,063
025550	MANAGER OFFICE FACILITIES	162,240	-	-	-	-	162,240
025551	FACILITY OPERATIONS NORTH	53,990	-	-	-	-	53,990
025552	FACILITY OPERATIONS CENTRAL	13,645	-	-	-	-	13,645
025553	FACILITY OPERATIONS SOUTH	47,413	-	-	-	-	47,413
025555	FACILITY OPERATIONS - LEXINGTON	39,673	-	-	-	-	39,673
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	54,120	-	-	-	-	54,120
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	50,722	-	-	-	4,564	55,286
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	256,374	-	-	-	-	256,374
025593	PROJECT PLANNING AND MANAGEMENT	69,691	-	-	-	237,719	307,410
025594	CORPORATE FACILITY SERVICES	39,665	-	-	-	-	39,665
025620	MANAGER HEALTH AND SAFETY	227,115	-	-	-	-	227,115
025650	DIRECTOR ENVIRONMENTAL AFFAIRS	1,446,131	-	-	-	-	1,446,131
025680	STAFFING SERVICES	293,347	-	-	-	-	293,347
025670	COMPENSATION/HR POLICY & COMPLIANCE	112,212	-	-	-	-	112,212
025680	MANAGER BENEFITS AND RECORDS	195,538	-	-	-	-	195,538
025700	DIRECTOR - HUMAN RESOURCES	92,593	-	-	-	-	92,593
025710	ELECTRIC TECHNICAL TRAINING AND PUBLIC SAFETY	365,579	-	-	-	-	365,579
025720	ELECTRIC DISTRIBUTION AND TRANSMISSION SAFETY	352,992	-	-	-	-	352,992
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	112,437	-	-	-	-	112,437
025775	HRIS	164,520	-	-	-	-	164,520
025780	MANAGER DIVERSITY STRATEGY	51,746	-	-	-	-	51,746
026020	FINANCIAL PLANNING & BUDGETING	110,370	-	-	-	-	110,370
026030	GENERATION, PE, AND SAFETY BUDGETING	80,679	-	-	-	69,021	149,700
026045	DIRECTOR CORPORATE TAX	296,898	-	-	-	-	296,898
026050	CFO	44,501	-	-	-	-	44,501
026080	MANAGER REVENUE ACCOUNTING	294,894	-	-	-	-	294,894
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	193,823	-	-	-	-	193,823
026120	MANAGER PROPERTY ACCOUNTING	274,225	-	-	-	-	274,225
026130	CONTROLLER	88,559	-	-	-	-	88,559
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	68,758	-	-	-	-	68,758
026140	MANAGER - FINANCIAL PLANNING	214,008	-	-	-	-	214,008
026145	SHARED SERVICES & CORPORATE BUDGETING	193,016	-	-	-	-	193,016
026155	FINANCIAL REPORTING	166,910	-	-	-	-	166,910
026160	REGULATORY ACCOUNTING AND REPORTING	196,529	-	-	-	-	196,529
026170	MANAGER - CUSTOMER ACCOUNTING	665,489	-	-	-	-	665,489
026175	TRANSMISSION, GAS, & ES BUDGETING	142,997	-	-	-	-	142,997
026190	CORPORATE ACCOUNTING	232,870	-	-	-	-	232,870
026200	SUPPLY CHAIN SUPPORT	234,542	-	-	-	41,385	275,927
026310	MANAGER PAYROLL	153,790	-	-	-	-	153,790
026330	TREASURER	106,475	-	-	-	-	106,475
026350	RISK MANAGEMENT	98,032	-	-	-	-	98,032
026370	CORPORATE FINANCE	155,268	-	-	-	-	155,268
026390	CREDIT/CONTRACT ADMINISTRATION	111,166	-	-	-	-	111,166
026400	AUDIT SERVICES	397,916	-	-	-	-	397,916
026480	CHIEF INFORMATION OFFICER	104,347	-	-	-	-	104,347
026600	IT INFRASTRUCTURE AND OPERATIONS	302,655	-	-	-	19,537	322,192
026625	TRANSPORT ENGINEERING	353,158	-	-	-	97,070	450,228

Expenditure Org	Expenditure Org Description	Below the					Capitalized	Other B/S	Total
		Operating	Mechanism	Line	Other I/S				
026630	DATA NETWORKING	459,534	-	-	-	101,533	-	561,067	
026635	WORKSTATION ENGINEERING	325,365	-	-	-	86,006	-	411,372	
026636	IT CIP INFRASTRUCTURE	294,582	-	-	-	41,091	-	335,673	
026637	DATA CENTER OPERATIONS	789,887	-	-	-	70,760	-	860,647	
026638	GLOBAL NOC	183,085	-	-	-	19,435	-	202,520	
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	321,911	-	-	-	87,834	-	409,745	
026648	INFRASTRUCTURE SERVICES	692,003	-	-	-	10,245	-	702,247	
026680	CLIENT SUPPORT SERVICES	69,081	-	-	-	-	-	69,081	
026740	IT SECURITY AND RISK MANAGEMENT	134,874	-	-	-	-	-	134,874	
026742	IT SECURITY	475,298	-	-	-	11,806	-	486,904	
026744	IT SECURITY RISK MANAGEMENT	274,901	-	-	-	40,449	-	315,350	
026760	IT TRAINING	125,555	-	-	-	-	-	125,555	
026772	TECHNOLOGY SUPPORT CENTER	389,738	-	-	-	-	-	389,738	
026774	DESKTOP OPERATIONS	284,267	-	-	-	96,737	-	381,024	
026800	LEGAL DEPARTMENT - LKS	754,438	-	-	-	19,553	-	773,991	
026905	COMPLIANCE DEPT	309,770	-	-	-	-	-	309,770	
026910	GENERAL COUNSEL - LKS	126,844	-	-	-	-	-	126,844	
026920	DIRECTOR - CORPORATE COMMUNICATION	134,568	-	-	-	-	-	134,568	
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	182,227	-	-	-	-	-	182,227	
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	523,670	-	-	-	-	-	523,670	
027800	IT BUSINESS SERVICES	151,445	-	-	-	-	-	151,445	
027610	IT PROJECT MANAGEMENT OFFICE	435,738	-	-	-	202,711	-	638,449	
027620	IT BUSINESS ANALYSIS	285,531	-	-	-	214,368	-	499,899	
027630	IT QUALITY ASSURANCE	58,809	-	-	-	69,345	-	128,154	
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	252,558	-	-	-	-	-	252,558	
027660	IT SERVICE MANAGEMENT	103,328	-	-	-	-	-	103,328	
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	440,839	-	-	-	55,833	-	496,671	
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	90,338	-	-	-	519,324	-	609,661	
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	400,843	-	-	-	218,102	-	618,744	
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	379,882	-	-	-	40,978	-	420,860	
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	452,853	-	-	-	107,620	-	560,473	
027870	IT DEVELOPMENT AND SUPPORT	203,725	-	-	-	65,538	-	269,263	
029640	SVP ENERGY SUPPLY AND ANALYSIS	76,108	-	-	-	18,462	-	94,570	
029645	DATA ANALYTICS - LKS	176,564	-	-	-	-	-	176,564	
029660	DIRECTOR - POWER SUPPLY	965,888	-	-	-	-	-	965,888	
029750	PROJECT ENGINEERING	56,527	-	-	-	1,888,035	-	1,944,563	
029760	GENERATION SAFETY	224,775	-	-	-	-	-	224,775	
<b>Total Test Year Electric Labor</b>		<b>72,925,474</b>	<b>443,065</b>	<b>-</b>	<b>13,200</b>	<b>16,666,392</b>	<b>15,235,256</b>	<b>105,283,387</b>	
<b>Total Off-Duty</b>		<b>11,414,746</b>	<b>75,334</b>	<b>25,364</b>	<b>-</b>	<b>2,365,522</b>	<b>2,235,198</b>	<b>16,116,164</b>	
<b>Total Employee Benefits</b>		<b>31,975,365</b>	<b>203,715</b>	<b>68,401</b>	<b>-</b>	<b>6,521,407</b>	<b>5,629,371</b>	<b>44,398,259</b>	
<b>Total Payroll Taxes</b>		<b>7,403,784</b>	<b>48,076</b>	<b>14,144</b>	<b>-</b>	<b>1,694,765</b>	<b>1,351,897</b>	<b>10,512,667</b>	
<b>Total Test Year Electric Payroll Costs</b>		<b>123,719,368</b>	<b>770,191</b>	<b>107,910</b>	<b>13,200</b>	<b>27,248,086</b>	<b>24,451,722</b>	<b>176,310,477</b>	

Expenditure Org	Expenditure Org Description	Below the				Capitalized	Other B/S	Total
		Operating	Mechanism	Line	Other I/S			
<b>Test Year Payroll Costs - Gas</b>								
001220	BUSINESS OFFICES - LGE	263,588	-	-	-	-	263,588	
001280	METER READING - LGE	178,159	-	-	-	-	178,159	
003385	LINE LOCATING	69,126	-	-	-	-	69,126	
003470	PERFORMANCE METRICS	-	-	-	-	131,651	131,651	
004040	DISTRIBUTION DESIGN	55,000	-	-	-	654,369	1,129,962	
004060	GAS DIST. CONTRACT CONSTRUCTION	-	-	-	-	951,470	1,847,747	
004100	DIRECTOR - GAS CONSTRUCTION AND OPERATIONS AND ENGINEERING	49,288	-	-	-	115,005	164,293	
004140	MANAGER, GAS CONSTRUCTION	-	-	-	-	836,211	836,211	
004180	GAS DIST OPRS-REPAIR AND MAINTAIN	1,991,387	224,547	-	-	2,426,690	4,820,936	
004220	SVC DEL-BARDSTOWN	257,812	-	-	-	94,053	351,865	
004270	GAS DISPATCH	787,163	-	-	-	158,044	945,208	
004280	GAS TROUBLE	1,796,489	-	-	-	-	1,796,489	
004290	METER SHOP	142,607	-	-	-	387,924	530,531	
004370	ASSET INFORMATION LGE	94,054	-	-	-	-	365,320	
004380	GAS-ENGINEERS	198,135	-	-	-	-	307,094	
004385	TRANSMISSION INTEGRITY & COMPLIANCE	1,030,969	-	-	-	(20,771)	1,010,199	
004450	CORROSION CONTROL	1,045,788	-	-	-	61,000	1,106,788	
004470	MULDRAUGH STORAGE	2,424,548	-	-	-	218,309	2,725,657	
004475	DIR. GAS CONTROL AND STORAGE - LGE	267,555	-	-	-	82,390	349,945	
004480	MAGNOLIA STORAGE	2,042,818	-	-	-	41,000	2,125,338	
004490	GAS CONTROL	1,488,449	-	-	-	40,000	1,528,449	
004500	INSTR., MEASUREMENT	947,727	-	-	-	10,000	957,727	
004510	SYSTEM REGULATION OPERATION	1,405,902	-	-	-	238,515	1,644,417	
004560	GAS PROCUREMENT	707,309	-	-	-	-	707,309	
004600	GAS REGULATORY SERVICES	953,509	-	-	-	-	953,509	
004610	DISTRIBUTION INTEGRITY & COMPLIANCE	518,100	-	-	-	-	518,100	
004620	PIPELINE SAFETY MANAGEMENT SYSTEMS	569,314	-	-	-	-	569,314	
004630	OPERATOR QUALIFICATIONS PROGRAM	358,695	-	-	-	-	358,695	
004700	DIRECTOR, GAS ASSET INTEGRITY MANAGEMENT AND COMPLIANCE	169,966	-	-	-	-	169,966	
005310	FACILITIES MTC	33,673	-	-	-	-	33,673	
006250	CORPORATE	(774,439)	-	-	-	-	(185,865)	
006630	LGE - TELECOMMUNICATIONS	90,918	-	-	-	83,117	174,034	
008890	LGE OPERATING SERVICES CHARGES	34,936	-	-	-	-	207,493	
015970	KU - TELECOMMUNICATIONS	134,731	-	-	-	-	134,731	
021000	CHAIRMAN AND CEO	78,144	-	-	-	-	78,144	
021035	VP CUSTOMER SERVICES - SERVCO	(115,815)	-	-	-	-	(115,815)	
021080	DISTRIBUTION SYSTEM ADMINISTRATION	87,601	-	-	-	-	87,601	
021204	CCS RETAIL SUPPORT	298,483	-	-	-	-	298,483	
021205	RESIDENTIAL SERVICE CENTER	1,633,885	-	-	-	-	1,633,885	
021220	BUSINESS OFFICES	69,879	-	-	-	-	69,879	
021321	CIVIC AFFAIRS	74,416	-	-	-	-	74,416	
021225	BUSINESS SERVICE CENTER	251,991	-	-	-	-	251,991	
021250	DIRECTOR CUSTOMER SERVICE AND MARKETING	22,636	-	-	-	-	22,636	
021251	COMPLAINTS AND INQUIRY	75,565	-	-	-	-	75,565	
021280	MANAGER - METER READING	113,150	-	-	-	-	113,150	
021315	MANAGER, FIELD SERVICE OPERATIONS	187,594	-	-	-	-	187,594	
021320	MANAGER - METER ASSET MANAGEMENT - LKS	116,367	-	-	-	-	116,367	
021325	DIRECTOR REVENUE COLLECTION	33,968	-	-	-	-	33,968	
021326	BUSINESS PROCESS MANAGEMENT & OPERATIONAL PERFORMANCE	111,866	-	-	-	-	111,866	
021330	MANAGER REMITTANCE AND COLLECTION	243,879	-	-	-	-	243,879	
021335	FEDERAL REGULATION & POLICY	40,393	-	-	-	-	40,393	
021360	MANAGER BUSINESS SERVICES	295,155	-	-	-	-	295,155	
021410	DIRECTOR BUSINESS & ECONOMIC DEVELOPMENT AND ENERGY EFFICIENCY	22,358	-	-	-	-	22,358	
021411	CS PROJECT SERVICES - LKS	18,578	-	-	-	100,105	118,683	
021415	MANAGER, SMART GRID STRATEGY	-	15,851	-	-	-	15,851	
021420	ENERGY EFFICIENCY OPERATIONS	13,636	-	-	-	-	13,636	
021440	VP STATE REGULATION AND RATES	167,366	-	-	-	-	167,366	
021500	DIRECTOR SAFETY AND TECHNICAL TRAINING	24,788	-	-	-	-	24,788	
021520	ENERGY EFFICIENCY OPERATIONS - NON DSM	38,242	-	-	-	-	36,242	
023065	TRANSMISSION SUBSTATION CONSTRUCTION - LKS	-	-	-	-	2,500	2,500	
023070	MANAGER - TRANSMISSION LINES	-	-	-	-	1,550	1,550	
023640	ELECTRIC DISTRIBUTION & CUST SERV BUDGETING	60,638	-	-	-	-	60,638	
024000	VP - GAS DISTRIBUTION	(84,342)	-	-	-	-	86,249	
024475	GAS STORAGE, CONTROL AND COMPLIANCE	81,684	-	-	-	172,539	254,222	
025000	SVP HUMAN RESOURCES	32,661	-	-	-	-	32,661	
025200	DIR - HUMAN RESOURCES	116,667	-	-	-	-	116,667	
025300	DIRECTOR HR - CORPORATE	53,170	-	-	-	-	53,170	
025410	DIRECTOR SUPPLY CHAIN AND LOGISTICS	50,702	-	-	-	529	51,231	
025415	IT SOURCING AND CONTRACT MANAGEMENT	81,310	-	-	-	-	81,310	
025420	CORPORATE PURCHASING	60,453	-	-	-	-	60,453	
025430	MANAGER SUPPLY CHAIN ED/TRANSMISSION	74,736	-	-	-	2,679	77,415	
025480	MANAGER - SUPPLIER DIVERSITY	16,825	-	-	-	-	16,825	
025470	SARBANES OXLEY	21,806	-	-	-	-	21,806	
025500	DIRECTOR OPERATING SERVICES	32,793	-	-	-	-	32,793	
025530	MANAGER TRANSPORTATION	-	-	-	-	23,706	23,706	
025550	MANAGER OFFICE FACILITIES	54,080	-	-	-	-	54,080	
025551	FACILITY OPERATIONS NORTH	17,997	-	-	-	-	17,997	
025552	FACILITY OPERATIONS CENTRAL	4,548	-	-	-	-	4,548	
025553	FACILITY OPERATIONS SOUTH	15,804	-	-	-	-	15,804	
025555	FACILITY OPERATIONS - LEXINGTON	13,224	-	-	-	-	13,224	
025560	FACILITY OPERATIONS DATA/CONTROL CENTER	18,040	-	-	-	-	18,040	
025580	MANAGER REAL ESTATE AND RIGHT OF WAY	16,907	-	-	-	-	16,907	
025590	CORPORATE SECURITY / BUSINESS CONTINUITY	85,458	-	-	-	-	85,458	
025593	PROJECT PLANNING AND MANAGEMENT	23,230	-	-	-	106,801	130,032	
025594	CORPORATE FACILITY SERVICES	13,222	-	-	-	-	13,222	
025620	MANAGER HEALTH AND SAFETY	75,705	-	-	-	-	75,705	
025660	STAFFING SERVICES	97,782	-	-	-	-	97,782	
025670	COMPENSATION/HR POLICY & COMPLIANCE	37,404	-	-	-	-	37,404	
025680	MANAGER BENEFITS AND RECORDS	65,179	-	-	-	-	65,179	
025700	DIRECTOR - HUMAN RESOURCES	30,864	-	-	-	-	30,864	
025730	GAS SAFETY AND TECHNICAL TRAINING	892,675	-	-	-	-	892,675	
025770	MANAGER ORGANIZATIONAL DEVELOPMENT	37,479	-	-	-	-	37,479	
025775	HRIS	54,840	-	-	-	-	54,840	
025780	MANAGER DIVERSITY STRATEGY	17,249	-	-	-	-	17,249	
026020	FINANCIAL PLANNING & BUDGETING	36,790	-	-	-	-	36,790	
026030	GENERATION, PE, AND SAFETY BUDGETING	26,893	-	-	-	-	26,893	
026045	DIRECTOR CORPORATE TAX	98,966	-	-	-	-	98,966	
026050	CFO	14,834	-	-	-	-	14,834	
026080	MANAGER REVENUE ACCOUNTING	98,298	-	-	-	-	98,298	
026110	LKS - MANAGER - FINANCIAL SYSTEMS AND PROCESSES	64,608	-	-	-	-	64,608	
026120	MANAGER PROPERTY ACCOUNTING	91,408	-	-	-	-	91,408	
026130	CONTROLLER	29,853	-	-	-	-	29,853	

Expenditure Org	Expenditure Org Description	Operating	Mechanism	Below the Line	Other I/S	Capitalized	Other B/S	Total
026135	DIRECTOR - ACCOUNTING AND REGULATORY REPORTING	22,919	-	-	-	-	-	22,919
026140	MANAGER - FINANCIAL PLANNING	71,336	-	-	-	-	-	71,336
026145	SHARED SERVICES & CORPORATE BUDGETING	64,339	-	-	-	-	-	64,339
026155	FINANCIAL REPORTING	55,637	-	-	-	-	-	55,637
026160	REGULATORY ACCOUNTING AND REPORTING	65,510	-	-	-	-	-	65,510
026170	MANAGER - CUSTOMER ACCOUNTING	522,884	-	-	-	-	-	522,884
026175	TRANSMISSION, GAS, & ES BUDGETING	129,065	-	-	-	-	-	129,065
026190	CORPORATE ACCOUNTING	77,623	-	-	-	-	-	77,623
026200	SUPPLY CHAIN SUPPORT	78,161	-	-	-	-	1,279	79,460
026310	MANAGER PAYROLL	51,263	-	-	-	-	-	51,263
026330	TREASURER	35,492	-	-	-	-	-	35,492
026350	RISK MANAGEMENT	32,677	-	-	-	-	-	32,677
026370	CORPORATE FINANCE	51,756	-	-	-	-	-	51,756
026390	CREDIT/CONTRACT ADMINISTRATION	37,055	-	-	-	-	-	37,055
026400	AUDIT SERVICES	132,639	-	-	-	-	-	132,639
026490	CHIEF INFORMATION OFFICER	34,782	-	-	-	-	-	34,782
026600	IT INFRASTRUCTURE AND OPERATIONS	100,885	-	-	-	8,778	-	109,663
026625	TRANSPORT ENGINEERING	117,719	-	-	-	43,611	-	161,330
026630	DATA NETWORKING	153,178	-	-	-	45,616	-	198,794
026635	WORKSTATION ENGINEERING	108,455	-	-	-	38,640	-	147,096
026636	IT CIP INFRASTRUCTURE	98,194	-	-	-	18,461	-	116,655
026637	DATA CENTER OPERATIONS	263,296	-	-	-	31,791	-	295,088
026638	GLOBAL NOC	61,028	-	-	-	8,732	-	69,760
026645	UNIFIED COMMUNICATIONS AND COLLABORATION	107,304	-	-	-	39,462	-	146,765
026646	INFRASTRUCTURE SERVICES	230,668	-	-	-	4,603	-	235,270
026680	CLIENT SUPPORT SERVICES	23,027	-	-	-	-	-	23,027
026740	IT SECURITY AND RISK MANAGEMENT	44,958	-	-	-	-	-	44,958
026742	IT SECURITY	158,433	-	-	-	5,214	-	163,647
026744	IT SECURITY RISK MANAGEMENT	91,634	-	-	-	18,173	-	109,806
026760	IT TRAINING	41,852	-	-	-	-	-	41,852
026772	TECHNOLOGY SUPPORT CENTER	129,912	-	-	-	-	-	129,912
026774	DESKTOP OPERATIONS	94,762	-	-	-	43,462	-	138,224
026850	VP EXTERNAL AFFAIRS	-	-	211,207	-	-	-	211,207
026900	LEGAL DEPARTMENT - LKS	251,479	-	-	-	-	-	251,479
026905	COMPLIANCE DEPT	103,257	-	-	-	-	-	103,257
026910	GENERAL COUNSEL - LKS	42,281	-	-	-	-	-	42,281
026920	DIRECTOR - CORPORATE COMMUNICATION	44,855	-	-	-	-	-	44,855
026925	VP CORPORATE RESPONSIBILITY AND COMMUNITY AFFAIRS	60,742	-	-	-	-	-	60,742
026940	MANAGER EXTERNAL AND BRAND COMMUNICATION	174,557	-	-	-	-	-	174,557
027600	IT BUSINESS SERVICES	50,482	-	-	-	-	-	50,482
027610	IT PROJECT MANAGEMENT OFFICE	145,246	-	-	-	91,073	-	236,319
027620	IT BUSINESS ANALYSIS	95,177	-	-	-	96,310	-	191,487
027630	IT QUALITY ASSURANCE	19,603	-	-	-	31,155	-	50,758
027650	IT BUSINESS RELATIONSHIP MGR - CONSOLIDATED	84,186	-	-	-	-	-	84,186
027660	IT SERVICE MANAGEMENT	34,443	-	-	-	-	-	34,443
027810	IT DEVELOPMENT AND SUPPORT - FINANCIAL APPS	146,946	-	-	-	25,084	-	172,030
027820	IT DEVELOPMENT AND SUPPORT - CUSTOMER SERVICE	30,113	-	-	-	233,319	-	263,432
027840	IT DEVELOPMENT AND SUPPORT - OPERATIONS	133,548	-	-	-	97,988	-	231,535
027850	IT DEVELOPMENT AND SUPPORT - INTERNAL APPS	126,627	-	-	-	18,411	-	145,038
027860	IT DEVELOPMENT AND SUPPORT - MOBILE AND .NET PLATFORMS	150,951	-	-	-	48,351	-	199,302
027870	IT DEVELOPMENT AND SUPPORT	67,908	-	-	-	29,445	-	97,353
<b>Total Test Year Gas Labor</b>		<b>30,918,739</b>	<b>240,399</b>	<b>211,207</b>	<b>-</b>	<b>7,094,790</b>	<b>4,062,128</b>	<b>42,627,263</b>
<b>Total Off-Duty</b>		<b>4,610,774</b>	<b>30,430</b>	<b>10,245</b>	<b>-</b>	<b>955,509</b>	<b>902,867</b>	<b>6,509,824</b>
<b>Total Employee Benefits</b>		<b>12,915,853</b>	<b>82,287</b>	<b>27,629</b>	<b>-</b>	<b>2,634,201</b>	<b>2,273,879</b>	<b>17,933,850</b>
<b>Total Payroll Taxes</b>		<b>2,990,620</b>	<b>19,420</b>	<b>5,713</b>	<b>-</b>	<b>684,569</b>	<b>546,074</b>	<b>4,246,396</b>
<b>Total Test Year Gas Payroll Costs</b>		<b>51,435,987</b>	<b>372,535</b>	<b>254,795</b>	<b>-</b>	<b>11,369,069</b>	<b>7,784,948</b>	<b>71,217,333</b>
<b>Total Test Year Electric and Gas Payroll Costs</b>		<b>175,155,355</b>	<b>1,142,726</b>	<b>362,705</b>	<b>13,200</b>	<b>38,617,155</b>	<b>32,236,870</b>	<b>247,527,811</b>

Most other labor costs are not allocated to the expenditure org (department) level and are accounted for in Corporate.

**EXHIBIT \_\_\_\_ (LK-19)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 43**

**Responding Witness: Gregory J. Meiman**

- Q-43. Refer to Schedule D-1. A number of the FERC account adjustment reasons indicate that base period costs were low “due to vacancies as a result of hiring delays due to Covid.” Please provide a listing of all vacancies by position and department for each month during the base year that the Companies assume to be filled during the test year.
- A-43. Attached are headcount reports utilized by the Company as reflecting actual versus budget for the period March 31, 2020 through December 31, 2020. The Company has also included the reports that management utilizes on a quarterly basis comparing actual vs budget which includes supplemental contractors to provide the overall headcount view. The open positions are typically managed with overtime and supplemental contractors, to illustrate this the Company provided the December 31, 2018 and December 31, 2019 reports. These reports demonstrate that in a year with no extraordinary items the use of supplemental contractors offset the actual to budget headcount difference for employees – see the December 31, 2019 report. In a year with above normal storm occurrence for example 2018, the company experiences significantly higher actual than budgeted supplemental contractors. In 2020, due to COVID-19, employee positions were delayed particularly in the generation area due to concerns about training since it requires close proximity that could not be achieved with socially distancing guidelines and also sizable groups of employees and contractors that were not able to come into work related to COVID-19 quarantines. Additionally, supplemental contractors were also a limited resource in 2020 related to constraints from mutual assistance provided to an unusually large number of storm events and COVID-19 issues within their own workforces.

The Company intends to fill all open positions between January 1, 2021 through June 30, 2022, and will utilize overtime and supplemental contractors as needed.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 43**

**Responding Witness: Gregory J. Meiman**

- Q-43. Refer to Schedule D-1. A number of the FERC account adjustment reasons indicate that base period costs were low “due to vacancies as a result of hiring delays due to Covid.” Please provide a listing of all vacancies by position and department for each month during the base year that the Companies assume to be filled during the test year.
- A-43. Attached are headcount reports utilized by the Company as reflecting actual versus budget for the period March 31, 2020 through December 31, 2020. The Company has also included the reports that management utilizes on a quarterly basis comparing actual vs budget which includes supplemental contractors to provide the overall headcount view. The open positions are typically managed with overtime and supplemental contractors, to illustrate this the Company provided the December 31, 2018 and December 31, 2019 reports. These reports demonstrate that in a year with no extraordinary items the use of supplemental contractors offset the actual to budget headcount difference for employees— see the December 31, 2019 report. In a year with above normal storm occurrence for example 2018, the company experiences significantly higher actual than budgeted supplemental contractors. In 2020, due to COVID-19, employee positions were delayed particularly in the generation area due to concerns about training since it requires close proximity that could not be achieved with socially distancing guidelines and also sizable groups of employees and contractors that were not able to come into work related to COVID-19 quarantines. Additionally, supplemental contractors were also a limited resource in 2020 related to constraints from mutual assistance provided to an unusually large number of storm events and COVID-19 issues within their own workforces.

The Company intends to fill all open positions between January 1, 2021 through June 30, 2022, and will utilize overtime and supplemental contractors as needed.

**EXHIBIT \_\_\_\_ (LK-20)**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 45**

**Responding Witness: Daniel K. Arbough**

- Q-45. Refer to the Payroll Analysis Attachment, page 2 of 2, to Filing Requirement Tab 60 of 807 KAR5:001 Section 16(8)(g) for each Company. Refer further to the Off-duty dollars data included on lines 27-32.
- a. Please explain what kind of payroll dollars is represented in this category of costs.
  - b. Please explain why O&M costs are projected to increase by 9.06% for KU and 9.00% for LG&E from the base year to the test year for this category of costs.
  - c. Please explain why the ratio of O&M dollars to total dollars for this category of costs is expected to increase from 66.05% to 68.71% for KU and from 68.86% to 70.83% for LG&E from the base year to the test year.
- A-45.
- a. Off-duty includes vacation, holiday, sick, short term disability, personal days, funeral leave and jury duty.
  - b. This rate is impacted by the wage increase and the fluctuation in the amount of labor charged to capital projects as capital expenditures are projected to be down somewhat. There is less labor in the capital budget for the test year and therefore more labor charged to O&M.
  - c. These percentages will change based on the amount of labor charged to capital projects. The level of capital spending fluctuates from year to year, and the ratios for the test year are well within the ranges the Companies expect and have previously experienced.

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC**

**Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 45**

**Responding Witness: Daniel K. Arbough**

- Q-45. Refer to the Payroll Analysis Attachment, page 2 of 2, to Filing Requirement Tab 60 of 807 KAR5:001 Section 16(8)(g) for each Company. Refer further to the Off-duty dollars data included on lines 27-32.
- a. Please explain what kind of payroll dollars is represented in this category of costs.
  - b. Please explain why O&M costs are projected to increase by 9.06% for KU and 9.00% for LG&E from the base year to the test year for this category of costs.
  - c. Please explain why the ratio of O&M dollars to total dollars for this category of costs is expected to increase from 66.05% to 68.71% for KU and from 68.86% to 70.83% for LG&E from the base year to the test year.
- A-45.
- a. Off-duty includes vacation, holiday, sick, short term disability, personal days, funeral leave and jury duty.
  - b. This rate is impacted by the wage increase and the fluctuation in the amount of labor charged to capital projects as capital expenditures are projected to be down somewhat. There is less labor in the capital budget for the test year and therefore more labor charged to O&M.
  - c. These percentages will change based on the amount of labor charged to capital projects. The level of capital spending fluctuates from year to year, and the ratios for the test year are well within the ranges the Companies expect and have previously experienced.

**EXHIBIT \_\_\_\_ (LK-21)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 37**

**Responding Witness: Christopher M. Garrett**

- Q-37. Refer to page 22, line 7, through page 23, line 10, of Mr. Bellar's Direct Testimony. Please provide the following information related to the deferral of generating outage costs for 2017, 2018, 2019, 2020, base year, and test year for each Company: a) beginning balance, b) cost deferrals added, c) costs amortized, and d) ending year balance. In addition, provide the quantification of cost deferrals added each year and the basis for such. Finally, identify the FERC accounts and account numbers associated with the deferrals and amortizations (balance sheet and income statement).
- A-37. See Attachment 1 for parts a, b, c, and d including FERC accounts and account numbers for KU.

See Attachment 2 for quantification of the KU cost deferrals.

See the Stipulation and Recommendation approved by the Commission in Case Nos. 2018-00294 and 2018-00295 section 1.2(F) and the Stipulation and Recommendation approved by the Commission in Case Nos. 2016-00370 and 2016-00371 section 2.2(F) for approval of the deferral accounting treatment.

Unit	Jul-Dec 2017		2018		2019		Jan-Feb 2020		Mar-Dec 2020		Jan-Feb 2021	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals/Forecast <sup>(2)</sup>	Actuals/Forecast <sup>(2)</sup>	Forecast	Forecast	
0172 - CAME RUN CC GT 2016	\$ 1,956,407	\$ 955,333	\$ 581,201	\$ 857,101	\$ 5,588,121	\$ -						
0321 - TRIMBLE COUNTY 2 - GENERATION	(112,929)	5,116,625	1,875,785	27,950	3,719,462	-						
0432 - PADDYS RUN GT 13	106,504	105,218	526,540	(14,213)	181,697	-						
0470 - TRIMBLE COUNTY #5 COMBUSTION TURBINE	1,537	9,979	50,701	-	56,945	-						
0471 - TRIMBLE COUNTY #6 COMBUSTION TURBINE	-	44,226	51,906	-	16,636	-						
0474 - TRIMBLE COUNTY #7 COMBUSTION TURBINE	29,220	86,626	14,226	5,521	44,312	-						
0475 - TRIMBLE COUNTY #8 COMBUSTION TURBINE	26,928	22,923	27,439	-	1,100	-						
0476 - TRIMBLE COUNTY #9 COMBUSTION TURBINE	-	35,959	18,632	0	94,765	-						
0477 - TRIMBLE COUNTY #10 COMBUSTION TURBINE	-	33,474	8,028	11	15,489	-						
5621 - E W BROWN UNIT 1 <sup>(1)</sup>	5,115	241,319	-	-	-	-						
5622 - E W BROWN UNIT 2 <sup>(1)</sup>	53,330	286,214	-	-	-	-						
5623 - E W BROWN UNIT 3	189,482	1,341,463	8,091,956	102,748	1,445,722	-						
5624 - E W BROWN UNITS 1 & 2 <sup>(1)</sup>	-	-	-	-	-	-						
5630 - E W BROWN STEAM UNITS 1,2,3 SCRUBBER <sup>(1)</sup>	-	-	246,892	(636)	325	-						
5633 - E W BROWN-EQUIP COM. COMBUSTION TURBINE UNITS 8, 9, 10 & 11	-	-	54,284	-	-	-						
5635 - E W BROWN COMBUSTION TURBINE UNIT 5	188,025	13,701	-	-	29,073	-						
5636 - E W BROWN COMBUSTION TURBINE UNIT 6	-	-	502,502	-	14,673	-						
5637 - E W BROWN COMBUSTION TURBINE UNIT 7	-	-	78,730	-	14,942	-						
5638 - E W BROWN COMBUSTION TURBINE UNIT 8	-	542	-	-	-	-						
5639 - E W BROWN COMBUSTION TURBINE UNIT 9	-	18,796	9,049	-	-	-						
5641 - E W BROWN COMBUSTION TURBINE UNIT 11	-	151,045	(12,695)	-	-	-						
5645 - E W BROWN CT UNIT 9 GAS PIPELINE	18,073	-	-	-	-	-						
5651 - GHENT UNIT 1	7,833	3,718,532	3,719,628	948,011	3,506,926	-						
5652 - GHENT UNIT 2	2,273,589	1,710,055	9,591,944	90,486	1,314,112	-						
5653 - GHENT UNIT 3	2,003,552	8,178,663	1,593,558	18,658	5,120,074	-						
5654 - GHENT UNIT 4	(3,951)	2,992,447	4,449,515	514,757	9,619,350	-						
5656 - GHENT UNITS 3 & 4	-	-	-	-	-	-						
5693 - HAEFLING UNIT 1	-	-	-	-	5,216	-						
5694 - HAEFLING UNIT 2	-	-	-	-	5,216	-						
<b>Total Outage Expense</b>	<b>\$ 6,742,717</b>	<b>\$ 25,063,142</b>	<b>\$ 31,479,823</b>	<b>\$ 2,550,393</b>	<b>\$ 30,794,153</b>	<b>\$ -</b>						
Jurisdictional Adjustment		(13,237)	(8,068)	(27,694)								
<b>Normalized Outage Cost (based on eight-year average)</b>	<b>\$ 7,962,855</b>	<b>\$ 20,494,596</b>	<b>\$ 11,035,222</b>	<b>\$ 547,659</b>	<b>\$ 15,872,980</b>	<b>\$ 547,658</b>						
<b>Normalized Outage Cost (based on five-year historic average)</b>												
Regulatory Asset Charges - Debits	(1,220,138)	4,555,309	12,586,094	1,975,040	14,921,173	(547,658)						
Regulatory Asset Amortization - Credits (2016 Case)	N/A	N/A	157,016	39,254	196,270	39,254						
Regulatory Asset Amortization - Credits (2018 Case)	N/A	N/A	N/A	N/A	N/A	N/A						
<b>Regulatory Asset (Liability) Balance</b>	<b>\$ (1,220,138)</b>	<b>\$ 3,335,172</b>	<b>\$ 16,078,281</b>	<b>\$ 18,092,575</b>	<b>\$ 33,210,018</b>	<b>\$ 32,701,614</b>						

<sup>(1)</sup>E. W. Brown units 1 and 2 were retired in 2019.

<sup>(2)</sup>March - August actuals and September - December forecast.

Unit	Mar-Jun 2021	Jul '21 to Jun '22
	Forecast	TY Forecast
0172 - CANE RUN CC GT 2016	\$ -	\$ 5,552,335
0321 - TRIMBLE COUNTY 2 - GENERATION	1,133,473	3,300,218
0432 - PADDYS RUN GT 13	-	109,333
0470 - TRIMBLE COUNTY #5 COMBUSTION TURBINE	45,183	-
0471 - TRIMBLE COUNTY #6 COMBUSTION TURBINE	11,579	-
0474 - TRIMBLE COUNTY #7 COMBUSTION TURBINE	-	43,281
0475 - TRIMBLE COUNTY #8 COMBUSTION TURBINE	-	40,329
0476 - TRIMBLE COUNTY #9 COMBUSTION TURBINE	-	136,043
0477 - TRIMBLE COUNTY #10 COMBUSTION TURBINE	-	136,043
5621 - E W BROWN UNIT 1 <sup>(1)</sup>	-	-
5622 - E W BROWN UNIT 2 <sup>(1)</sup>	-	-
5623 - E W BROWN UNIT 3	-	2,968,691
5624 - E W BROWN UNITS 1 & 2 <sup>(1)</sup>	-	-
5630 - E W BROWN STEAM UNITS 1,2,3 SCRUBBER <sup>(1)</sup>	-	-
5633 - E W BROWN-EQUIP COM. COMBUSTION TURBINE UNITS 8, 9, 10 & 11	-	126,215
5635 - E W BROWN COMBUSTION TURBINE UNIT 5	-	-
5636 - E W BROWN COMBUSTION TURBINE UNIT 6	14,893	-
5637 - E W BROWN COMBUSTION TURBINE UNIT 7	15,166	590,120
5638 - E W BROWN COMBUSTION TURBINE UNIT 8	-	281,173
5639 - E W BROWN COMBUSTION TURBINE UNIT 9	-	-
5641 - E W BROWN COMBUSTION TURBINE UNIT 11	-	-
5645 - E W BROWN CT UNIT 9 GAS PIPELINE	-	-
5651 - GHENT UNIT 1	9,765,662	4,884,586
5652 - GHENT UNIT 2	-	3,177,183
5653 - GHENT UNIT 3	-	3,165,194
5654 - GHENT UNIT 4	-	-
5656 - GHENT UNITS 3 & 4	5,310,533	3,525,403
5693 - HAEFLING UNIT 1	-	-
5694 - HAEFLING UNIT 2	-	-
<b>Total Outage Expense</b>	<b>\$ 16,296,490</b>	<b>\$ 28,036,144</b>
Jurisdictional Adjustment	-	-
<b>Normalized Outage Cost (based on eight-year average)</b>	<b>\$ 8,889,764</b>	<b>\$ 26,303,718</b>
<b>Normalized Outage Cost (based on five-year historic average)</b>	<b>\$ 8,889,764</b>	<b>\$ 26,303,718</b>
Regulatory Asset Charges - Debits	7,406,726	1,732,426
Regulatory Asset Amortization - Credits (2016 Case)	78,508	(425,753)
Regulatory Asset Amortization - Credits (2018 Case)	N/A	(4,704,041)
<b>Regulatory Asset (Liability) Balance</b>	<b>\$ 40,186,848</b>	<b>\$ 36,789,479</b>

<sup>(1)</sup>E.W. Brown units 1 and 2 were retired in 2019.

<sup>(2)</sup>March - August actuals and September - December forecast.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 37**

**Responding Witness: Christopher M. Garrett**

- Q-37. Refer to page 22, line 7, through page 23, line 10, of Mr. Bellar's Direct Testimony. Please provide the following information related to the deferral of generating outage costs for 2017, 2018, 2019, 2020, base year, and test year for each Company: a) beginning balance, b) cost deferrals added, c) costs amortized, and d) ending year balance. In addition, provide the quantification of cost deferrals added each year and the basis for such. Finally, identify the FERC accounts and account numbers associated with the deferrals and amortizations (balance sheet and income statement).
- A-37. See Attachment 1 for parts a, b, c, and d including FERC accounts and account numbers for LG&E.

See Attachment 2 for quantification of the LG&E cost deferrals.

See the Stipulation and Recommendation approved by the Commission in Case Nos. 2018-00294 and 2018-00295 section 1.2(F) and the Stipulation and Recommendation approved by the Commission in Case Nos. 2016-00370 and 2016-00371 section 2.2(F) for approval of the deferral accounting treatment.

Unit	Jul-Dec 2017		2018		2019		Jan-Feb 2020		Mar-Dec 2020		Jan-Feb 2021	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals/Forecast <sup>(1)</sup>	Actuals/Forecast <sup>(1)</sup>	Forecast	Forecast	
0172 - CANE RUN CC GT 2016	\$ 632,679	\$ 308,210	\$ 176,213	\$ 257,934	\$ 1,681,676	\$ -						
0211 - MILL CREEK 1 - GENERATION	(28,101)	708,348	6,476,655	1,988	175,196	20,000						
0212 - MILL CREEK-SO2 UNIT 1	-	-	-	-	-	-						
0221 - MILL CREEK 2 - GENERATION	655	4,436,560	597,914	254,155	1,325,700	25,000						
0222 - MILL CREEK-SO2 UNIT 2	-	-	-	-	-	-						
0231 - MILL CREEK 3 - GENERATION	(4,742)	3,022,068	9,993,812	807,132	674,447	-						
0232 - MILL CREEK-SO2 UNIT 3	-	-	-	-	-	-						
0241 - MILL CREEK 4 - GENERATION	1,388,030	7,246,492	765,878	(1,831)	4,703,725	-						
0242 - MILL CREEK-SO2 UNIT 4	-	-	-	-	-	-						
0311 - TRIMBLE COUNTY 1 - GENERATION	7,982,576	1,120,146	3,205,546	(10,811)	606,515	-						
0321 - TRIMBLE COUNTY 2 - GENERATION	(27,485)	1,360,604	497,930	6,961	926,856	-						
0401 - LGE GENERATION - COMMON	1,483	-	-	-	-	-						
0432 - PADDYS RUN GT 13	137,702	155,716	634,951	(17,101)	218,612	-						
0470 - TRIMBLE COUNTY #5 COMBUSTION TURBINE	720	4,715	23,612	-	24,817	-						
0471 - TRIMBLE COUNTY #6 COMBUSTION TURBINE	-	20,610	24,168	-	7,250	-						
0474 - TRIMBLE COUNTY #7 COMBUSTION TURBINE	19,707	58,193	9,043	3,459	27,767	-						
0475 - TRIMBLE COUNTY #8 COMBUSTION TURBINE	18,101	15,599	18,035	-	689	-						
0476 - TRIMBLE COUNTY #9 COMBUSTION TURBINE	-	24,093	11,760	0	59,382	-						
0477 - TRIMBLE COUNTY #10 COMBUSTION TURBINE	-	22,487	5,058	7	9,706	-						
5635 - E W BROWN COMBUSTION TURBINE UNIT 5	243,103	17,672	-	-	34,980	-						
5636 - E W BROWN COMBUSTION TURBINE UNIT 6	-	-	341,465	-	9,595	-						
5636 - E W BROWN COMBUSTION TURBINE UNIT 7	-	-	51,485	-	9,771	-						
<b>Total Outage Expense</b>	<b>\$ 10,364,429</b>	<b>\$ 18,501,313</b>	<b>\$ 22,833,527</b>	<b>\$ 1,301,893</b>	<b>\$ 10,496,685</b>	<b>\$ 45,000</b>						

Normalized Outage Cost (based on eight-year average)	\$ 7,321,113	\$ 14,128,486	\$ 5,755,547			
Normalized Outage Cost (based on five-year historic average)				\$ 8,034,975	\$ 12,998,146	\$ 292,535
<b>Regulatory Asset Charges - Debits</b>	<b>3,043,316</b>	<b>4,372,827</b>	<b>9,043,005</b>	<b>1,009,358</b>	<b>(2,501,461)</b>	<b>(247,535)</b>
Regulatory Asset Amortization - Credits (2016 Case)	N/A	N/A	(609,829)	(152,457)	(762,287)	(152,457)
Regulatory Asset Amortization - Credits (2018 Case)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Regulatory Asset (Liability) Balance</b>	<b>\$ 3,043,316</b>	<b>\$ 7,416,143</b>	<b>\$ 15,849,319</b>	<b>\$ 16,706,219</b>	<b>\$ 13,442,471</b>	<b>\$ 13,042,479</b>

\*March - August actuals and September - December forecast.

Mar-Jun 2021 Jul '21 to Jun '22

Unit	Forecast	TY Forecast
0172 - CANE RUN CC GT 2016	\$ -	\$ 1,670,906
0211 - MILL CREEK 1 - GENERATION	5,192,000	490,000
0212 - MILL CREEK-SO2 UNIT 1	-	55,000
0221 - MILL CREEK 2 - GENERATION	5,327,000	1,400,500
0222 - MILL CREEK-SO2 UNIT 2	-	50,000
0231 - MILL CREEK 3 - GENERATION	-	3,843,100
0232 - MILL CREEK-SO2 UNIT 3	-	200,000
0241 - MILL CREEK 4 - GENERATION	-	470,000
0242 - MILL CREEK-SO2 UNIT 4	-	55,000
0311 - TRIMBLE COUNTY 1 - GENERATION	-	4,351,463
0321 - TRIMBLE COUNTY 2 - GENERATION	282,299	821,941
0401 - LGE GENERATION - COMMON	-	-
0432 - PADDYS RUN GT 13	-	131,546
0470 - TRIMBLE COUNTY #5 COMBUSTION TURBINE	19,691	-
0471 - TRIMBLE COUNTY #6 COMBUSTION TURBINE	5,046	-
0474 - TRIMBLE COUNTY #7 COMBUSTION TURBINE	-	27,121
0475 - TRIMBLE COUNTY #8 COMBUSTION TURBINE	-	25,271
0476 - TRIMBLE COUNTY #9 COMBUSTION TURBINE	-	85,248
0477 - TRIMBLE COUNTY #10 COMBUSTION TURBINE	-	85,248
5635 - E W BROWN COMBUSTION TURBINE UNIT 5	9,739	-
5636 - E W BROWN COMBUSTION TURBINE UNIT 6	9,918	-
5636 - E W BROWN COMBUSTION TURBINE UNIT 7	-	385,905
<b>Total Outage Expense</b>	<b>\$ 10,845,693</b>	<b>\$ 14,148,249</b>

<b>Normalized Outage Cost (based on eight-year average)</b>	<b>\$ 17,114,582</b>
<b>Normalized Outage Cost (based on five-year historic average)</b>	<b>\$ 6,096,721</b>

<b>Regulatory Asset Charges - Debits</b>	<b>4,748,972</b>	<b>(2,966,333)</b>
<b>Regulatory Asset Amortization - Credits (2016 Case)</b>	<b>\$ (304,915)</b>	<b>\$ (1,069,397)</b>
<b>Regulatory Asset Amortization - Credits (2018 Case)</b>	<b>N/A</b>	<b>\$ (1,383,769)</b>

<b>Regulatory Asset (Liability) Balance</b>	<b>\$ 17,486,536</b>	<b>\$ 12,067,037</b>
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\*March - August actuals and September - December forecast.

**EXHIBIT \_\_\_\_ (LK-22)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 50**

**Responding Witness: Daniel K. Arbough**

- Q-50. Provide a copy of the Companies' actuarial reports used for pension expense in the most recent historic calendar year, base year and test year. Annotate and/or reconcile the relevant amounts included in the report to the pension expense included in the base year and test year.
- A-50. See attached for reconciliation between the actuarial reports and the KU pension expense included in the base year and test year. Portions of the attachment that are nonresponsive to the request have been redacted.

The reconciliation contains a line item for miscellaneous allocations and intercompany adjustments. This represents adjustments made to burden expenses, such as pension expense, in the Company's budgeting system which are too complex to model in Excel.

Examples of those adjustments include moving costs from administrative & general expense to capital for employees who do not directly charge capital projects for their labor, but support the process (such as employees in the property accounting department) and allocating operations and maintenance charges to IMEA and IMPA for their joint ownership of the Trimble County 1 and 2 units.

Reconciliation of the Amount of Pension Expense in the Test Year and Base Year

	<u>Test Year</u>		<u>Base Year</u>
Pension Expense	7,359,950 p.17		6,291,202 p.17
Less: KU Gross-ups (15 year vs. Double Corridor)	(207,778) p.5		(264,258) p.8
Less: Actuarial NPPC allocated to KU by LKS	(8,595,090) p.5		(7,854,787) p.8
Less: Actuarial NPPC allocated to KU by LG&E	(536,320) p.5		(309,303) p.8
Plus: Actuarial NPPC allocation to capital projects and other miscellaneous Balance Sheet accounts	2,453,522 p.5		1,774,818 p.8
Pension Settlements	(178,297) p.4		(31,278) p.4
Miscellaneous allocations intercompany adjustment	<u>544,049</u> p.17		<u>350,198</u> p.17
NPPC	<u><u>840,036</u></u>		<u><u>(43,408)</u></u>
NPPC Per Actuary	<u>2021</u>	NPPC Per Actuary	<u>2020</u>
KU	1,150,528 p.4	KU	(282,195) p.10
	<u>x 6/12</u>		<u>x 10/12</u>
Period from July 2021 to Dec. 2021	<u>575,264</u>	Period from March 2020 to Dec. 2020	<u>(235,163)</u>
NPPC Per Actuary	<u>2022</u>	NPPC Per Actuary	<u>2021</u>
KU	529,544 p.4	KU	1,150,528 p.4
	<u>x 6/12</u>		<u>x 2/12</u>
Period from Jan. 2022 to June 2022	<u>264,772</u>	Period from Jan. 2021 to Feb. 2021	<u>191,755</u>
NPPC Per Actuary	<u><u>840,036</u></u>	NPPC Per Actuary	<u><u>(43,408)</u></u>

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 51**

**Responding Witness: Daniel K. Arbough**

- Q-51. Provide a copy of the Companies' actuarial reports used for OPEB expense in the most recent historic calendar year, base year and test year. Annotate and/or reconcile the relevant amounts included in the report to the OPEB expense included in the base year and test year.
- A-51. See attached for reconciliation between the actuarial reports and the KU OPEB expense included in the base year and test year. Portions of the attachment that are nonresponsive to the request have been redacted.

The reconciliation contains a line item for miscellaneous allocations and intercompany adjustments. This represents adjustments made to burden expenses, such as OPEB expense, in the Company's budgeting system which are too complex to model in Excel.

Examples of those adjustments include moving costs from administrative & general expense to capital for employees who do not directly charge capital projects for their labor, but support the process (such as employees in the property accounting department) and allocating operations and maintenance charges to IMEA and IMPA for their joint ownership of the Trimble County 1 and 2 units.

**Reconciliation of the Amount of Post Retirement Expense in the Test Year and Base Year**

	<u>Test Year</u>		<u>Base Year</u>
Post Retirement Expense	734,640 p.11		(172,937) p.11
Less: Actuarial NPPC allocated to KU by LKS	19,547 p.5		297,497 p.8
Less: Actuarial NPPC allocated to KU by LG&E	(502,152) p.5		(508,354) p.8
Plus: Actuarial NPPC Allocation to capital projects and other miscellaneous Balance Sheet accounts	297,487 p.5		(15,572) p.8
Miscellaneous allocations intercompany adjustment	<u>134,987 p.11</u>		<u>515,266 p.11</u>
NPPC	<u><u>684,509</u></u>		<u><u>115,900</u></u>

NPPC Per Actuary	<u>2021</u>		NPPC Per Actuary	<u>2020</u>
KU	692,293 p.4		KU	621 p.10
	<u>x 6/12</u>			<u>x 10/12</u>
Period from July 2021 to Dec. 2021	<u>346,147</u>	Period from March 2020 to Dec. 2020	<u>518</u>	
NPPC Per Actuary	<u>2022</u>		NPPC Per Actuary	<u>2021</u>
KU	676,725 p.4		KU	692,293 p.4
	<u>x 6/12</u>			<u>x 2/12</u>
Period from Jan. 2022 to June 2022	<u>338,363</u>	Period from Jan. 2021 to Feb. 2021	<u>115,382</u>	
NPPC Per Actuary	<u><u>684,509</u></u>	NPPC Per Actuary	<u><u>115,900</u></u>	
	-		0	

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 4**

**Responding Witness: Christopher M. Garrett**

- Q-4. Refer to the trial balances provided in response to AG-KIUC DR 1-8 for both Companies. Refer also to the notation contained on the final page of both trial balances which reads, “(1) At the time this data request was submitted the December 2020 pension remeasurement entries had not yet been booked.”
- a. Provide the amount of pension expense for 2020 by FERC subaccount and in total before and after the “remeasurement entries” were booked.
  - b. Explain what is meant by the “remeasurement entries” and describe the source of the information used to perform the entries.
  - c. Provide copies of all source documents and calculations for the “remeasurement entries” in electronic format with all formulas in place.
  - d. Provide copies of all journal entries used to record the “remeasurement entries” applicable to December 2020.
  - e. Indicate whether there are “remeasurement entries” applicable to OPEB expense as well. If so, provide the information requested in each subpart above that is applicable to OPEB expense.

A-4.

- a. Pension expense for 2020 by FERC subaccount is listed below and did not change as a result of the “remeasurement entries” being booked. Only balance sheet accounts were impacted by the “remeasurement entries”.

KU	FERC Subaccount
\$4,599,180	926101 - PENSION SERVICE COST - BURDENS
586,038	926196 - PENSION EXP- VA
144,718	926197 - PENSION EXP- FERC AND TENN.
(4,666,358)	926198 - PENSION NON SERVICE COST - BURDENS
5,000,926	926911 - PENSION SERVICE COST - BURDENS INDIRECT
834,951	926998 - PENSION NON SERVICE COSTS - BURDENS INDIRECT
\$6,499,456	Total

- b. Under Accounting Standards Codification 715, plan assets and obligations must be measured at a specific and consistently applied point in time. KU uses a December 31 measurement date for its pension plan, and the year-end value of the assets was not available at the time responses to the initial data requests were prepared. The funded position (the fair value of the plan assets less the projected benefit obligation, or PBO) of the pension plan is required to be reported as an asset (if assets exceed the liability as of the measurement date) or a liability (if the liability exceeds the assets as of the measurement date).

Using valuations provided by the Company’s external actuaries, KU records/adjusts liabilities and assets associated with the pension plan based on actuarial estimates at year end and when final valuations utilizing January 1 census data are complete (typically in quarter 2). KU will also record necessary adjustments whenever changes to the plan or significant events occur resulting in a material change in valuation.

- c. See Attachment 1 being provided in Excel format.
- d. See Attachment 1 being provided in Excel format, tab “J050-0020-1220 p.1”.
- e. Remeasurement entries are applicable to OPEB expense.
- (a) OPEB expense for 2020 by FERC subaccount is listed below and did not change as a result of the “remeasurement entries” being booked. Only balance sheet accounts were impacted by the “remeasurement entries.”

KU	FERC Subaccount
\$ 763,546	926106 - FASB 106 (OPEB) SERVICE COST - BURDENS
(456,342)	926199 - FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS
740,314	926916 - FASB 106 (OPEB) SERVICE COST - BURDENS INDIRECT
(998,686)	926999 - FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT
\$ 48,832	Total

- (b) Under Accounting Standards Codification 715, plan assets and obligations must be measured at a specific and consistently applied point in time. KU uses a December 31 measurement date for its postretirement plan, and the year-end value of the assets was not available at the time responses to the initial data requests were prepared. The funded position (the fair value of the plan assets less the accumulated postretirement benefit obligation, or APBO) of the postretirement plan is required to be reported as an asset (if assets exceed the liability) or a liability (if the liability exceeds the assets).

Using valuations provided by the Company's actuaries, KU records/adjusts liabilities and assets associated with the postretirement plan based on actuarial estimates at year end and when final valuations utilizing January 1 census data are complete (typically in quarter 2). KU will also record necessary adjustments whenever changes to the plan or significant events occur resulting in a material change in valuation.

- (c) See Attachment 2 being provided in Excel format.
- (d) See Attachment 3.

**EXHIBIT \_\_\_\_ (LK-23)**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 50**

**Responding Witness: Daniel K. Arbough**

- Q-50. Provide a copy of the Companies' actuarial reports used for pension expense in the most recent historic calendar year, base year and test year. Annotate and/or reconcile the relevant amounts included in the report to the pension expense included in the base year and test year.
- A-50. See attached for reconciliation between the actuarial reports and the LG&E pension expense included in the base year and test year. Portions of the attachment that are nonresponsive to the request have been redacted.

The reconciliation contains a line item for miscellaneous allocations and intercompany adjustments. This represents adjustments made to burden expenses, such as pension expense, in the Company's budgeting system which are too complex to model in Excel.

Examples of those adjustments include moving costs from administrative & general expense to capital for employees who do not directly charge capital projects for their labor, but support the process (such as employees in the property accounting department) and allocating operations and maintenance charges to IMEA and IMPA for their joint ownership of the Trimble County 1 and 2 units.

Reconciliation of the Amount of Pension Expense in the Test Year and Base Year

	<u>Test Year</u>		<u>Base Year</u>
Pension Expense	7,762,827	p.17	5,523,059
Less: Actuarial NPPC allocated to LG&E by LKS	(7,823,106)	p.5	(7,061,658)
Plus: Actuarial NPPC allocated to KU by LG&E	536,320	p.5	309,303
Plus: Actuarial NPPC allocation to capital projects and other miscellaneous Balance Sheet accounts	2,643,341	p.5	2,021,515
Pension Settlements	(243,140)	p.4	(42,787)
Miscellaneous allocations intercompany adjustment	<u>287,670</u>	p.17	<u>1,117,060</u>
NPPC	<u><u>3,163,912</u></u>		<u><u>1,866,492</u></u>
NPPC Per Actuary	<u>2021</u>		<u>2020</u>
LG&E	3,467,928	p.4	1,546,205
	<u>x 6/12</u>		<u>x 10/12</u>
Period from July 2021 to Dec. 2021	<u>1,733,964</u>		<u>1,288,504</u>
NPPC Per Actuary	<u>2022</u>		<u>2021</u>
LG&E	2,859,895	p.4	3,467,928
	<u>x 6/12</u>		<u>x 2/12</u>
Period from Jan. 2022 to June 2022	<u>1,429,948</u>		<u>577,988</u>
NPPC Per Actuary	<u><u>3,163,912</u></u>		<u><u>1,866,492</u></u>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 51**

**Responding Witness: Daniel K. Arbough**

- Q-51. Provide a copy of the Companies' actuarial reports used for OPEB expense in the most recent historic calendar year, base year and test year. Annotate and/or reconcile the relevant amounts included in the report to the OPEB expense included in the base year and test year.
- A-51. See attached for reconciliation between the actuarial reports and the LG&E OPEB expense included in the base year and test year. Portions of the attachment that are nonresponsive to the request have been redacted.

The reconciliation contains a line item for miscellaneous allocations and intercompany adjustments. This represents adjustments made to burden expenses, such as OPEB expense, in the Company's budgeting system which are too complex to model in Excel.

Examples of those adjustments include moving costs from administrative & general expense to capital for employees who do not directly charge capital projects for their labor, but support the process (such as employees in the property accounting department) and allocating operations and maintenance charges to IMEA and IMPA for their joint ownership of the Trimble County 1 and 2 units.

Reconciliation of the Amount of Post Retirement Expense in the Test Year and Base Year

	<u>Test Year</u>		<u>Base Year</u>
Post Retirement Expense	1,923,402	p.11	1,657,194
Plus: Actuarial NPPC allocated to LG&E by LKS	17,793	p.5	266,650
Plus: Actuarial NPPC allocated to KU by LG&E	502,152	p.5	508,355
Plus: Actuarial NPPC Allocation to capital projects and other miscellaneous Balance Sheet accounts	901,393	p.5	823,874
Miscellaneous allocations intercompany adjustment	<u>(154,744)</u>	p.11	<u>(138,158)</u>
NPPC	<u><u>3,189,996</u></u>		<u><u>3,117,915</u></u>

NPPC Per Actuary	<u>2021</u>		NPPC Per Actuary	<u>2020</u>
LG&E	3,209,734	p.4	LG&E	3,099,551
	<u>x 6/12</u>			<u>x 10/12</u>
Period from July 2021 to Dec. 2021	<u>1,604,867</u>		Period from March 2020 to Dec. 2020	<u>2,582,959</u>
NPPC Per Actuary	<u>2022</u>		NPPC Per Actuary	<u>2021</u>
LG&E	3,170,258	p.4	LG&E	3,209,734
	<u>x 6/12</u>			<u>x 2/12</u>
Period from Jan. 2022 to June 2022	<u>1,585,129</u>		Period from Jan. 2021 to Feb. 2021	<u>534,956</u>
NPPC Per Actuary	<u><u>3,189,996</u></u>		NPPC Per Actuary	<u><u>3,117,915</u></u>

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 4**

**Responding Witness: Christopher M. Garrett**

- Q-4. Refer to the trial balances provided in response to AG-KIUC DR 1-8 for both Companies. Refer also to the notation contained on the final page of both trial balances which reads, “(1) At the time this data request was submitted the December 2020 pension remeasurement entries had not yet been booked.”
- a. Provide the amount of pension expense for 2020 by FERC subaccount and in total before and after the “remeasurement entries” were booked.
  - b. Explain what is meant by the “remeasurement entries” and describe the source of the information used to perform the entries.
  - c. Provide copies of all source documents and calculations for the “remeasurement entries” in electronic format with all formulas in place.
  - d. Provide copies of all journal entries used to record the “remeasurement entries” applicable to December 2020.
  - e. Indicate whether there are “remeasurement entries” applicable to OPEB expense as well. If so, provide the information requested in each subpart above that is applicable to OPEB expense.

A-4.

- a. Pension expense for 2020 by FERC subaccount is listed below and did not change as a result of the “remeasurement entries” being booked. Only balance sheet accounts were impacted by the “remeasurement entries”.

Electric	Gas	Total LG&E	FERC Subaccount
\$ 1,367,183	\$ 824,551	\$2,191,734	926101 - PENSION SERVICE COST - BURDENS
(807,652)	(387,893)	(1,195,545)	926198 - PENSION NON SERVICE COST - BURDENS
3,424,108	798,143	4,222,251	926911 - PENSION SERVICE COST - BURDENS INDIRECT
567,439	129,441	696,880	926998 - PENSION NON SERVICE COSTS - BURDENS INDIRECT
\$ 4,551,078	\$ 1,364,242	\$5,915,320	Total LG&E

- b. Under Accounting Standards Codification 715, plan assets and obligations must be measured at a specific and consistently applied point in time. LG&E uses a December 31 measurement date for its pension plan, and the year-end value of the assets was not available at the time responses to the initial data requests were prepared. The funded position (the fair value of the plan assets less the projected benefit obligation, or PBO) of the pension plan is required to be reported as an asset (if asset exceed the liability as of the measurement date) or a liability (if the liability exceeds the assets as of the measurement date).

Using valuations provided by the Company’s external actuaries, LG&E records/adjusts liabilities and assets associated with the pension plan based on actuarial estimates at year end and when final valuations utilizing January 1 census data are complete (typically in quarter 2). LG&E will also record necessary adjustments whenever changes to the plan or significant events occur resulting in a material change in valuation.

- c. See Attachment 1 being provided in Excel format.
- d. See Attachment 1 being provided in Excel format, tab “J050-0020-1220 p.1”.
- e. Remeasurement entries are applicable to OPEB expense.
- (a) OPEB expense for 2020 by FERC subaccount is listed below and did not change as a result of the “remeasurement entries” being booked. Only balance sheet accounts were impacted by the “remeasurement entries”.

Electric	Gas	Total LG&E	FERC Subaccount
\$ 334,180	\$ 193,422	\$ 527,602	926106 - FASB 106 (OPEB) SERVICE COST - BURDENS
798,328	421,684	1,220,012	926199 - FASB 106 POST RETIREMENT NON SERVICE COST EXPENSE - BURDENS
506,892	118,257	625,149	926916 - FASB 106 (OPEB) SERVICE COST - BURDENS INDIRECT
(685,027)	(160,612)	(845,639)	926999 - FASB 106 (OPEB) NON SERVICE COSTS - BURDENS INDIRECT
\$ 954,373	\$ 572,751	\$ 1,527,124	Total LG&E

- (b) Under Accounting Standards Codification 715, plan assets and obligations must be measured at a specific and consistently applied point in time. LG&E uses a December 31 measurement date for its postretirement plan, and the year-end value of the assets was not available at the time responses to the initial data requests were prepared. The funded position (the fair value of the plan assets less the accumulated postretirement benefit obligation, or APBO) of the postretirement plan is required to be reported as an asset (if assets exceed the liability) or a liability (if the liability exceeds the assets).

Using valuations provided by the Company's actuaries, LG&E records/adjusts liabilities and assets associated with the postretirement plan based on actuarial estimates at year end and when final valuations utilizing January 1 census data are complete (typically in quarter 2). LG&E will also record necessary adjustments whenever changes to the plan or significant events occur resulting in a material change in valuation.

- (c) See Attachment 2 being provided in Excel format.
- (d) See Attachment 3.

**EXHIBIT \_\_\_\_ (LK-24)**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 17**

**Responding Witness: Daniel K. Arbough**

- Q-17. Provide updated actuarial calculations of pension cost and OPEB cost for 2021 and 2022 based on year end 2020 trust fund assets and pension and OPEB liabilities and other relevant updated information. Provide a copy of all correspondence with the Company's actuary, a copy of all reports and schedules, and a copy of all calculations in live Excel format with all formulas intact. If the Company is unable to provide the updated actuarial calculations, then provide the all underlying information necessary to perform the calculations, including, but not limited to, the pension and OPEB trust fund assets and pension and OPEB liabilities by account used to determine the net funded status of each and any assumptions that have been communicated to the actuary, including, but not limited to, the return on trust fund assets and the discount rate for the liabilities.
- A-17. Actuary reports reflecting December 31, 2020 pension and OPEB assets and liabilities and related assumptions are provided in response to Question No. 4. Consistent with the normal cycle, pension and OPEB cost for 2021 and 2022 based on year-end 2020 trust fund assets and pension and OPEB liabilities will not be available until later this year. The reports to be provided will reflect actual demographic information as of January 1, 2021, the market-related value of assets, potential changes to the asset allocation due to the improved funded status, and the related update to the expected return on assets.

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 17**

**Responding Witness: Daniel K. Arbough**

- Q-17. Provide updated actuarial calculations of pension cost and OPEB cost for 2021 and 2022 based on year end 2020 trust fund assets and pension and OPEB liabilities and other relevant updated information. Provide a copy of all correspondence with the Company's actuary, a copy of all reports and schedules, and a copy of all calculations in live Excel format with all formulas intact. If the Company is unable to provide the updated actuarial calculations, then provide the all underlying information necessary to perform the calculations, including, but not limited to, the pension and OPEB trust fund assets and pension and OPEB liabilities by account used to determine the net funded status of each and any assumptions that have been communicated to the actuary, including, but not limited to, the return on trust fund assets and the discount rate for the liabilities.
- A-17. Actuary reports reflecting December 31, 2020 pension and OPEB assets and liabilities and related assumptions are provided in response to Question No. 4. Consistent with the normal cycle, the pension and OPEB cost for 2021 and 2022 based on year end 2020 trust fund assets and pension and OPEB liabilities will not be available until later this year. The reports to be provided will reflect actual demographic information as of January 1, 2021, the market-related value of assets, potential changes to the asset allocation due to the improved funded status, and the related update to the expected return on assets.

**EXHIBIT \_\_\_\_ (LK-25)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 35**

**Responding Witness: Gregory J. Meiman**

- Q-35. Refer to the disallowance of costs referenced on pages 13-15 of the June 22, 2017 Order in Kentucky Utilities, Inc. Case No. 2016-00370 and to pages 16-17 of the June 22, 2017 Order in Louisville Gas and Electric Company Case No. 2016-00371. For employees who participate in a defined benefit plan, please provide the total and jurisdictional amount of matching contributions made on behalf of employees who also participate in any 401 (k) retirement savings account for each Company if the Commission applied the same methodology for a similar disallowance in the instant proceeding.
- A-35. See attached.

LGE									
Pre-2006 (employees participating in defined benefit plan)	LGE Base Period Total	LGE Base Period - Gas	LGE Base Period - Electric	LGE Test Period Total	LGE Test Period - Gas	LGE Test Period - Electric			
	1,065,239	266,310	798,929	877,375	219,344	658,031			
KU									
Pre-2006 (employees participating in defined benefit plan)	KU Base Period Total	KU Base Period Jurisdictional	KU Test Period Total	KU Test Period Jurisdictional					
	1,037,998	966,013	902,327	843,721					

The Savings Plan match amounts above are the totals that are allocated to each company's operating and maintenance expenses. It includes amounts that are allocated from LKS Services Company and allocations between the utilities for joint owned assets.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 35**

**Responding Witness: Gregory J. Meiman**

- Q-35. Refer to the disallowance of costs referenced on pages 13-15 of the June 22, 2017 Order in Kentucky Utilities, Inc. Case No. 2016-00370 and to pages 16-17 of the June 22, 2017 Order in Louisville Gas and Electric Company Case No. 2016-00371. For employees who participate in a defined benefit plan, please provide the total and jurisdictional amount of matching contributions made on behalf of employees who also participate in any 401 (k) retirement savings account for each Company if the Commission applied the same methodology for a similar disallowance in the instant proceeding.
- A-35. See attached.

LGE											
Pre-2006 (employees participating in defined benefit plan)	LGE Base Period Total	LGE Base Period - Gas	LGE Base Period - Electric	LGE Test Period Total	LGE Test Period - Gas	LGE Test Period - Electric					
	1,065,239	266,310	798,929	877,375	219,344	638,031					
KU											
Pre-2006 (employees participating in defined benefit plan)	KU Base Period Total	KU Base Period Jurisdictional	KU Test Period Total	KU Test Period Jurisdictional							
	1,037,998	966,013	902,327	843,721							

The Savings Plan match amounts above are the totals that are allocated to each company's operating and maintenance expenses. It includes amounts that are allocated from LKS Services Company and allocations between the utilities for joint owned assets.

**EXHIBIT \_\_\_\_ (LK-26)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 11**

**Responding Witness: Daniel K. Arbough / Christopher M. Garrett**

Q-11. Refer to the Commission's Order in Case No. 2020-00174 at 10-11 wherein it addresses an adjustment to increase Kentucky Power Company's pension and OPEB expense by \$3.7 million based on a calculation performed by KPCo witness Ms. Whitney addressed in her rebuttal testimony and detailed in her Exhibit\_HMW-R3 in that proceeding.

- a. Provide a calculation for the adjustment to pension expense using the KPCo methodology for the Company, including allocations/charges from LKE, for the test year in this proceeding. Provide all assumptions, data, and workpapers in live Excel format with all formulas intact.
- b. Provide a calculation for the adjustment to OPEB expense using the KPCo methodology for the Company, including allocations/charges from LKE, for the test year in this proceeding. Provide all assumptions, data, and workpapers in live Excel format with all formulas intact.
- c. Confirm that a portion of the Company's pension and OPEB costs is charged to expense and a portion is charged to capital.

A-11.

- a. See attachment being provided in Excel format. The first section of the "Summary" tab in the excel workbook provides the revenue requirement decrease associated with the removal of the prepaid pension asset from capitalization / rate base. The second section of the "Summary" tab provides the revenue requirement increase associated with the corresponding expense adjustments necessitated by the removal of the prepaid pension asset.

The Company does not agree with the use of this methodology in this proceeding and further notes that the difference is small once all relevant adjustments, including variable rate PBGC premiums and ADIT, are considered. The prepaid pension asset reduces the pension plan's variable rate PBGC premiums. Therefore, the calculation on tab 1 of the file reflects the impact of the EROA being applied to the avoided variable rate premium. As it relates to ADIT, the Company has included both the impact of removing

the ADIT liability associated with the prepaid pension asset currently included in capitalization / rate base as well as the excess ADIT amortization currently being returned to customers via the Economic Relief Surcredit. The Company further notes that it is utilizing capitalization and not rate base as its valuation methodology in these proceedings for good reason.

- b. The calculation is not applicable to the OPEB expense as the plan's allocation to KU is a liability.
- c. KU confirms that a portion of the Company's pension and OPEB costs is charged to expense and a portion is charged to capital. The calculation in the attachment includes the allocation to capital.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 11**

**Responding Witness: Daniel K. Arbough/Christopher M. Garrett**

Q-11. Refer to the Commission's Order in Case No. 2020-00174 at 10-11 wherein it addresses an adjustment to increase Kentucky Power Company's pension and OPEB expense by \$3.7 million based on a calculation performed by KPCo witness Ms. Whitney addressed in her rebuttal testimony and detailed in her Exhibit\_HMW-R3 in that proceeding.

- a. Provide a calculation for the adjustment to pension expense using the KPCo methodology for the Company, including allocations/charges from LKE, for the test year in this proceeding. Provide all assumptions, data, and workpapers in live Excel format with all formulas intact.
- b. Provide a calculation for the adjustment to OPEB expense using the KPCo methodology for the Company, including allocations/charges from LKE, for the test year in this proceeding. Provide all assumptions, data, and workpapers in live Excel format with all formulas intact.
- c. Confirm that a portion of the Company's pension and OPEB costs is charged to expense and a portion is charged to capital.

A-11.

- a. See attachment being provided in Excel format. The first section of the "Summary" tab in the excel workbook provides the revenue requirement decrease associated with the removal of the prepaid pension asset from capitalization /rate base. The second section of the "Summary" tab provides the revenue requirement increase associated with the corresponding expense adjustments necessitated by the removal of the prepaid pension asset.

The Company does not agree with the use of this methodology in this proceeding and further notes that the difference is small once all relevant adjustments, including variable rate PBGC premiums and ADIT, are considered. The prepaid pension asset reduces the pension plan's variable rate PBGC premiums. Therefore, the calculation on tab 1 of the file reflects the impact of the EROA being applied to the avoided variable rate premium.

As it relates to ADIT, the Company has included both the impact of removing the ADIT liability associated with the prepaid pension asset currently included in capitalization / rate base as well as the excess ADIT amortization currently being returned to customers via the Economic Relief Surcredit. The Company further notes that it is utilizing capitalization and not rate base as its valuation methodology in these proceedings for good reason.

- b. The calculation is not applicable to the OPEB expense as the plan's allocation to LG&E is a liability.
- c. LG&E confirms that a portion of the Company's pension and OPEB costs is charged to expense and a portion is charged to capital. The calculation in the attachment includes the allocation to capital.

**EXHIBIT \_\_\_\_ (LK-27)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 16**

**Responding Witness: Daniel K. Arbough**

Q-16. Refer to the large increases in the costs for Outside Services (FERC account 923). Refer also to the variance explanations contained in Schedule D-1 for KU and LG&E for this account referencing several increases in costs in the test year. The explanation for LG&E cost increases read as follows and the one for KU was very similar:

“Increase is primarily within the IT organization due to increases in supplemental contractor expenses for IT Development data cleanup initiatives, IT infrastructure for Enterprise Security Standards effective in 2021 and assessment costs for major capital projects. In addition, the Legal department as a result of COVID-19, which delayed a number of expenses in the base period, delaying some activity during the first half of the year and pushing it later into 2020 or even out into 2021.”

For each of the specific initiatives noted in the Companies’ explanations, provide the estimated increases from the base year to the test year related to the initiative and indicate whether those increased cost levels should be considered recurring or not after the end of the test year and explain why or why not.

A-16. There are several drivers behind the increase, and they are detailed below: The IT Development data cleanup relates to the work performed on the Geographic Information System Project (GIS), reflecting an approximate \$1.058k increase from the base year to the test year. This encompasses work that cannot be charged to capital, such as data clean-up/conversion and some planning activities. The increase is due to the more complex Electric Distribution GIS project. It is estimated to require approximately four additional resources at \$200 per hour for the period of the test year. The data clean-up/conversion expenses will exist through and beyond the test year.

With regards to the impact of Enterprise Security Standards (ESS), as noted in Mr. Kent Blake’s testimony at page 29, several new security protections went into production in 2020 that require continued labor to manage and monitor. This results in an increase of approximately \$178k as it relates to contractors. During

the forecasted test period we plan to use contractors to do this work and assist in automation while our internal labor is redirected toward implementation of additional security protections. This is on-going work that will reoccur in future periods.

Assessment costs of planned information technology hardware and or software capital projects vary each year depending on the number, need, and type of projects. Assessment costs will cover the work needed to determine replacement or upgrade needs for software and hardware based on the support provided from the vendor and useful life of the product. Once the useful life of the product ends or business needs change, assessments are needed to evaluate alternative solutions for best fit and cost to meet the business needs. The increase from base to test approximates \$136k primarily related to the assessment of future Call Center Systems and the Enterprise Barcoding project. Each year the costs vary significantly with the expectation of higher costs in 2023.

Legal spend is driven most notably by the type, number and nature of legal issues facing the Company in a given year, as well as the timing and scope of issues and developments within each matter, much of which is not at all, or not fully, within the control of the Company. Such expenses have been as high as \$3.6 million for KU in recent years. Moreover, developments in unanticipated matters increased spend beyond that included in initial budgets. The increase from base to test year is \$129k.

Not included in the explanation on D-1, but also impacting account 923 are the following items:

- Hardware Software Maintenance Contracts have an approximate \$969k increase. A portion of these increases is based on an estimated annual four percent increase for current vendors that do not provide a specific rate of increase. The four percent is based historic trends. In addition to the current vendors, there is an estimate for the hardware and software contracts on new capital projects of approximately \$523k primarily in the following areas:
  - Costs related to increased licensing or increased capacity requirements due to organic growth approximating \$289k (primarily Microsoft Licensing True-up, Computer Infrastructure expansion and Network Access Control - a security initiative to ensure rouge devices cannot connect to our wired network);
  - Security Enhancements approximating \$92k (primarily Role Based Access, Security Information Event Management (Critical Infrastructure Protection) and Security Infrastructure)
- In the Communications line of business the base year spend for account 923 was lower due to pandemic constraints: Onsite activities were cancelled (which include booths for the Kentucky State Fair, Homearama, Home and

Garden show, etc.) plus in-person weather efficiency seminars were postponed or conducted virtually. The test year reflects a return to normal spend levels reflecting an increase of \$116k, including creative design work for the launch of new energy efficiency tips for customers and a new customer mobile app.

- In the Environmental line of business there is an increase of \$96k from base to test year impacting account 923. The increase in the test period is largely driven by decreased third party audits, consulting services, and hazardous material services in the base period due primarily to COVID-19 during the base year. These services include Spill Prevention Control and Countermeasure compliance, environmental audits, permit auditing preparation, permit applications/renewals and associated sampling, electronic library indexing, transformer services including oil changes, and recycling of materials with hazardous waste (i.e. batteries).

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 16**

**Responding Witness: Daniel K. Arbough**

Q-16. Refer to the large increases in the costs for Outside Services (FERC account 923). Refer also to the variance explanations contained in Schedule D-1 for KU and LG&E for this account referencing several increases in costs in the test year. The explanation for LG&E cost increases read as follows and the one for KU was very similar:

“Increase is primarily within the IT organization due to increases in supplemental contractor expenses for IT Development data cleanup initiatives, IT infrastructure for Enterprise Security Standards effective in 2021 and assessment costs for major capital projects. In addition, the Legal department as a result of COVID-19, which delayed a number of expenses in the base period, delaying some activity during the first half of the year and pushing it later into 2020 or even out into 2021.”

For each of the specific initiatives noted in the Companies’ explanations, provide the estimated increases from the base year to the test year related to the initiative and indicate whether those increased cost levels should be considered recurring or not after the end of the test year and explain why or why not.

A-16. There are several drivers behind the increase, and they are detailed below: The IT Development data cleanup relates to the work performed on the Geographic Information System Project (GIS), reflecting an approximate \$660k increase from the base year to the test year. This encompasses work that cannot be charged to capital, such as data clean-up/conversion and some planning activities. The increase is due to the more complex Electric Distribution GIS project. It is estimated to require approximately four additional resources at \$200 per hour for the period of the test year. The data clean-up/conversion expenses will exist through and beyond the test year.

With regards to the impact of Enterprise Security Standards (ESS), as noted in Mr. Kent Blake’s testimony at page 29, several new security protections went into production in 2020 that require continued labor to manage and monitor. This results in an increase of approximately \$202k as it relates to contractors. During

the forecasted test period we plan to use contractors to do this work and assist in automation while our internal labor is redirected toward implementation of additional security protections. This is on-going work that will reoccur in future periods.

Assessment costs of planned information technology hardware and or software capital projects vary each year depending on the number, need, and type of projects. Assessment costs will cover the work needed to determine replacement or upgrade needs for software and hardware based on the support provided from the vendor and useful life of the product. Once the useful life of the product ends or business needs change, assessments are needed to evaluate alternative solutions for best fit and cost to meet the business needs. The increase from base to test approximates \$154k primarily related to the assessment of future Call Center Systems and the Enterprise Barcoding project. Each year the costs vary significantly with the expectation of higher costs in 2023.

Legal spend is driven most notably by the type, number and nature of legal issues facing the Company in a given year, as well as the timing and scope of issues and developments within each matter, much of which is not at all, or not fully, within the control of the Company. Such expenses have been as high as \$3.5 million for LG&E in recent years. Moreover, developments in unanticipated matters increased spend beyond that included in initial budgets. The increase from base to test year is \$1.242k.

Not included in the explanation on D-1, but also impacting account 923 are the following items:

- Hardware Software Maintenance Contracts have an approximate \$1.084k increase. A portion of these increases is based on an estimated annual four percent increase for current vendors that do not provide a specific rate of increase. The four percent is based historic trends. In addition to the current vendors, there is an estimate for the hardware and software contracts on new capital projects of approximately \$590k primarily in the following areas:
  - Costs related to increased licensing or increased capacity requirements due to organic growth approximating \$326k (primarily Microsoft Licensing True-up, Computer Infrastructure expansion and Network Access Control - a security initiative to ensure rouge devices cannot connect to our wired network)
  - Security Enhancements approximating \$104k (primarily Role Based Access, Security Information Event Management (Critical Infrastructure Protection) and Security Infrastructure)
  
- In the Communications line of business the base year spend for account 923 was lower due to pandemic constraints: Onsite activities were cancelled (which include booths for the Kentucky State Fair, Homearama, Home and

Garden show, etc.) plus in-person weather efficiency seminars were postponed or conducted virtually. The test year reflects a return to normal spend levels reflecting an increase of \$122k, including creative design work for the launch of new energy efficiency tips for customers and a new customer mobile app.

- In the Environmental line of business there is an increase of \$164k from base to test year impacting account 923. The increase in the test period is largely driven by decreased third party audits, consulting services, and hazardous material services in the base period due primarily to COVID-19 during the base year. These services include Spill Prevention Control and Countermeasure compliance, environmental audits, permit auditing preparation, permit applications/renewals and associated sampling, electronic library indexing, transformer services including oil changes, and recycling of materials with hazardous waste (i.e. batteries).

**EXHIBIT \_\_\_\_ (LK-28)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00349**

**Question No. 30**

**Responding Witness: Lonnie E. Bellar/Daniel K. Arbough**

- Q-30. Refer to the comparison of jurisdictional O&M expenses by FERC account provided in the response to AG-KIUC DR 1-23.
- a. The amount for Distribution Meter Expenses in account 586 increases from \$9.125 million in the base year to \$9.701 million in the test year. Explain all reasons why an increase of 6.3% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - b. The amount for Transmission Overhead Lines Expense in account 563 increases from \$0.803 million in the base year to \$1.106 million in the test year. Explain all reasons why an increase of 37.7% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - c. The amount for Transmission Maintenance of Overhead Lines in account 571 increases from \$9.496 million in the base year to \$10.708 million in the test year. Explain all reasons why an increase of 12.8% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - d. The amount for Distribution Miscellaneous Expenses in account 588 increases from \$7.002 million in the base year to \$8.492 million in the test year. Explain all reasons why an increase of 21.3% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - e. The amount for Meter Reading Expenses in account 586 increases from \$9.256 million in the base year to \$9.902 million in the test year. Explain all reasons why an increase of 7.0% is projected for this account in the test year, especially when base year costs were so much higher than all the other comparative years. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

- f. The amount for Outside Services Employed in account 923 increases from \$18.041 million in the base year to \$21.333 million in the test year. Explain all reasons why increase of 18.2% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- g. The amount for Property Insurance in account 924 increases from \$6.974 million in the base year to \$8.726 million in the test year. Explain all reasons why an increase of 25.1% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

A-30.

- a. The \$0.576 million projected increase in FERC 586 in the test year is due primarily to the following:
  - \$0.154 million is due to two contractor vacancies for 9 months in 2020, making the base year low.
  - \$0.150 million due to the base year being low because of the suspension of service disconnects due to COVID-19. This suspension began in mid-March 2020 and continued the rest of the year.
- b. The \$0.303 million projected increase in FERC 563 in the test year is due primarily to the following:
  - \$0.208 million is due to increased spending in forecasted period related to pole inspections. The Inspection increase is a result of expected improvement (reduction) in the number of rejected poles found during an inspection. 15% of the inspection cost is expected to hit O&M in 2022 because of the anticipated lower reject rates during Cycle 3 that will not be transferred to a capital pole replacement project.
  - \$0.117 million is due to aerial patrol costs. The contract for aerial patrol services increased by 8.5% in 2020. The 2020 aerial patrol represents fewer than expected reduced trouble patrols while future years include funding for historical trouble patrols.
- c. The \$1.212 million projected increased in FERC 571 in the test year is due primarily to the following:
  - \$1.862 million increased for vegetation management, primarily due to 13.5% increase in contractor costs due to new contract in May 2021. This work is being done to reclaim our transmission system ROWs and to improve system reliability.
  - \$0.528 million decreased spending for lines corrosion protection in the forecasted period due to fewer structures.
- d. The primary drivers of the \$1.490 million increase for FERC 588 in the test year include the following:

- \$0.714 million for IT OT security’s new program, discussed in Mr. Bellar’s testimony on pages 5-6, which was not in the base year. For this program, the cost estimate was derived from the Black and Veatch assessment that was completed in 2020. Black and Veatch was hired to assess the overall Operational Technology cybersecurity posture of the company and made recommendations for the company. They estimated additional costs needed to mitigate cybersecurity vulnerabilities within the OT. Their estimates were based on industry experience. The table below shows the estimated cost for total Distribution provided by Black and Veatch. This was split evenly between LG&E and KU.

Assumed FTEs	8.04
Annual Cost Per FTE	<u>\$ 160,160</u>
FTE Cost	<u>\$1,287,927</u>
Ongoing Technology Costs	<u>\$ 198,439</u>
Total Distribution O&M	\$1,486,365
Rounded Estimate used in Budget	\$1,500,000

- \$0.477 million increase in KU operational and Health & Safety training primarily due to costs in 2020 due to COVID-19 restrictions (a majority of the avoided training costs are related to employee labor, which was incurred on other projects including both O&M and capital). The test year is based on historical average costs (2015-2019) escalated at approximately 2.5% and accounts for expected biennial CPR and forklift training as well as new training for the Operations Mobile Application.
  - \$0.187 million increase due to IT maintenance costs associated with new projects and annual contract escalations.
- e. The \$0.646 million projected increase in Meter Reading Expenses (FERC 902) is primarily due to a higher number of monthly meter reads and contractual rates in the test year than in the base year. Increases in all other comparative years is primarily due to higher contractual rates on the meter reading contracts.

See attached file that supports the calculation of the meter reading contractor costs which is the largest component of the \$9.902 million. The information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.

- f. See the response to Question No. 16.
- g. Property Insurance expense is projected to increase for two primary reasons. First, the insured values are increasing due to additional assets placed in service, and inflationary increases in the value of the existing property. The

policy provides for replacement coverage and replacement costs are trended up based on the Handy Whitman Index. For 2021, the average inflation increase in the Handy Whitman index for our assets was between 1.26% and 1.45%. Second, the premium rate per million dollars of replacement cost was projected to increase by 20% for the primary layer carriers and 10% for the excess layer carriers. A variety of inputs were used to determine the percentage increase including discussions with our broker. Estimates from other market participants were also used. See attached materials containing market participants' perspective of where market renewal premiums were being priced.

**EXHIBIT \_\_\_\_ (LK-29)**

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Supplemental Data Requests of the Attorney General and KIUC  
Dated February 5, 2021**

**Case No. 2020-00350**

**Question No. 26**

**Responding Witness: Lonnie E. Bellar / Daniel K. Arbough**

- Q-26. Refer to the comparison of O&M expenses by FERC account provided for the electric and gas operations in the response to AG-KIUC DR 1-22.
- a. The amount for Distribution Meter Expenses (electric) in account 586 increases from \$5.785 million in the base year to \$7.932 million in the test year. Explain all reasons why an increase of 37.1% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - b. The amount for Transmission Maintenance of Overhead Lines (electric) in account 571 increases from \$5.510 million in the base year to \$7.356 million in the test year. Explain all reasons why an increase of 33.5% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - c. The amount for Distribution Miscellaneous Expenses (electric) in account 588 increases from \$6.272 million in the base year to \$7.395 million in the test year. Explain all reasons why an increase of 17.9% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - d. The amount for Outside Services Employed (electric) in account 923 increases from \$13.815 million in the base year to \$17.066 million in the test year. Explain all reasons why an increase of 23.5% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
  - e. The amount for Property Insurance (electric) in account 924 increases from \$5.889 million in the base year to \$7.219 million in the test year. Explain all reasons why an increase of 22.6% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

- f. The amount for Injuries and Damages (electric) in account 925 increases from \$2.433 million in the base year to \$3.236 million in the test year. Explain all reasons why an increase of 33.0% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- g. The amount for Maintenance of Reservoirs and Wells (gas) in account 832 increases from \$0.189 million in the base year to \$0.912 million in the test year. Explain all reasons why an increase of 482.5% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- h. The amount for Transmission Maintenance of Mains (gas) in account 863 increases from \$7.236 million in the base year to \$14.269 million in the test year. Explain all reasons why an increase of 97.2% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- i. The amount for Distribution Other Expenses (gas) in account 880 increases from \$6.982 million in the base year to \$8.234 million in the test year. Explain all reasons why an increase of 17.9% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- j. The amount for Distribution Maintenance of Mains (gas) in account 887 increases from \$9.278 million in the base year to \$12.033 million in the test year. Explain all reasons why an increase of 29.7% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- k. The amount for Outside Services Employed (gas) in account 923 increases from \$4.322 million in the base year to \$5.689 million in the test year. Explain all reasons why an increase of 31.6% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- l. The amount for Property Insurance (gas) in account 924 increases from \$0.349 million in the base year to \$0.470 million in the test year. Explain all reasons why an increase of 34.7% is projected for this account in the test year. Provide a copy of all support relied on for the amount in the test year and the increase over the base year.
- m. The amount for Injuries and Damages (gas) in account 925 increases from \$0.851 million in the base year to \$1.152 million in the test year. Explain all reasons why an increase of 35.4% is projected for this account in the test year.

Provide a copy of all support relied on for the amount in the test year and the increase over the base year.

A-26.

- a. The projected increase of \$2.147 million in FERC 586 in the test year is due primarily to the following:
  - \$1.2 million estimated costs included in FERC 878 in the base year were inadvertently included in FERC 586 in the test year. This is for the Field Service work that supports both electric and gas; in the test year it was all included in electric. This will be corrected in the errata filing.
  - \$0.370 million due to the base year being low because of the suspension of service disconnects due to COVID-19. This suspension began in mid-March 2020 and continued the rest of the year. A portion of these contractors shifted to support capital meter work during this time.
  - \$0.127 million is due to open positions in 2020. There were 8 vacancies in the Field Services and Meter Shop departments during 2020 for between 2 and 4 months each.
  - \$0.093 million is due to one contractor vacancy for the full year of 2020, making the base year low.
  
- b. The \$1.846 million projected increase in FERC 571 in the test year is due primarily to the following:
  - \$1.047 million increased for vegetation management primarily due to 13.5% increase in contractor costs due to new contract in May 2021 and increased acreage of 345kV ROW widening. This work is being done to reclaim our transmission system ROWs and to improve system reliability.
  - \$1.044 million increased spending for Lines corrosion protection in the forecasted period to address the structure backlog for LG&E.
  
- c. The primary drivers of the \$1.123 million increase for FERC 588 in the test year include the following:
  - \$0.750 million for IT OT security's new program, discussed in Mr. Bellar's testimony on pages 5-6, which was not in the base year. For this program, the cost estimate was derived from the Black and Veatch assessment that was completed in 2020. Black and Veatch was hired to assess the overall Operational Technology cybersecurity posture of the company and made recommendations to the company. They estimated additional costs needed to mitigate cybersecurity vulnerabilities within the OT. Their estimates were based on industry experience. The table below shows the estimated cost for total Distribution provided by Black and Veatch. This was split evenly between LG&E and KU.

Assumed FTEs	8.04
Annual Cost Per FTE	\$ 160,160
FTE Cost	\$ 1,287,927
Ongoing Technology Costs	\$ 198,439
Total Distribution O&M	\$ 1,486,365
Rounded Estimate used in Budget	\$ 1,500,000

- \$0.267 million increase in Louisville operations training primarily due to lower costs in 2020 due to COVID-19 restrictions (a majority of the avoided training costs are related to employee labor, which was incurred on other projects including O&M and capital). The test year is based on 2019 training costs with a 3% escalation and accounts for expected biennial training in CPR (2021) and forklift (2022).
  - \$0.210 million due to higher anticipated facility costs associated with facility upkeep - i.e. gravel, snow, carpet cleaning, increases in various contracts - janitorial, light duty maintenance, and facility increases for maintaining additional square footage (mainly due to increased space at Auburndale).
  - \$0.160 million due to IT maintenance costs associated with new projects and annual contract escalations
  - These increases are partially offset by various minor variances throughout several areas.
- d. See the response to Question No. 16.
- e. Property Insurance expense is projected to increase for two primary reasons. First, the insured values are increasing due to additional assets placed in service, and inflationary increases in the value of the existing property. The policy provides for replacement coverage and replacement costs are trended up based on the Handy Whitman Index. For 2021, the average inflation increase in the Handy Whitman index for our assets was between 1.26% and 1.45%. Second, the premium rate per million dollars of replacement cost was projected to increase by 20% for the primary layer carriers and 10% for the excess layer carriers. A variety of inputs were used to determine the percentage increase including discussions with our broker. Estimates from other market participants were also used. See attached materials containing market participants' perspective of where market renewal premiums were being priced.
- f. Damages and Injuries expense is projected to increase due to increases in premium rates for Excess Liability Insurance and Director and Officer (D&O) Insurance. In addition, the Base Period included a \$400,000 downward adjustment for Workers' Compensation claim reserves that is not expected to recur. Excess liability insurance rates are up for all industries as shown by the attached reports from market participants. However, rates are up more

dramatically for utilities due to recent events involving utility equipment starting large fires, and significant claims associated therewith. Natural gas utilities are also facing higher premiums as a result of large claims for pipeline explosions. Based on this information the Company projects an increase of 40% in the primary layer and 30% in all other layers of coverage in 2021 and a 5% increase in 2022. D&O insurance premiums are up significantly as noted in the attachment. This is due to concern in the insurance market about an increase in potential shareholder claims arising from alleged inadequate pandemic risk disclosures in financial filings with the Securities and Exchange Commission, and from shareholders alleging that companies had inadequate pandemic plans in light of COVID-19's impact on businesses. The test year assumes 2021 premiums increase 50% and 2022 premiums increase 20% for the primary layer and 10% for the excess layer. Offsetting these increases, the test year forecast also includes workers' compensation savings of approximately \$125,000 expected from the utilization of the on-site health clinics.

- g. The \$0.723 million projected increase in FERC 832 in the test year is due primarily to the following:
- \$0.746 million is due to increased well logging activities not included in base period due to timing (completed in late 2019 outside of base period). The test year assumes the assessment of 37 wells at an average cost of \$20k per well. PHMSA adopted a phased-in timetable (Rule 49 CFR Parts 191, 192, and 195 effective 3/13/2020) for implementing integrity management requirements. Four years after the effective date (i.e., by March 13, 2024), an operator must have completed baseline risk assessments for 40% of its storage wells, giving priority to higher risk wells. Seven years after the effective date (i.e., by March 17, 2027), an operator must have completed baseline risk assessments for all of its wells. LG&E is operating on this seven-year timetable to make sure all wells are assessed according to the rule requirements.
- h. The \$7.023 million projected increase in FERC 863 in the test year is due primarily to the following:
- \$10.766 million is due to enhanced inline inspections (ILIs) and validation digs. This cost was developed based on the cost of inspecting each specific pipeline included in the test year period (as noted in the table below). These inspections and digs are being conducted within the transmission integrity management program to address regulatory requirements of the Mega Rule Part 1 and enhance pipeline safety. See below for a breakdown of these costs between the base period and the test year:

	Base Year	Test Year	Change from Base Year
Validation Digs	\$0.266	\$1.312	\$1.046
Inline Inspections by Pipeline Segment:			
Center 20" ILI	\$0.095	-	\$(0.095)
Blanton - Paddy's ILI	-	\$3.559	\$3.559
Magnolia 16" ILI	\$0.429	-	\$(0.429)
Magnolia 20" ILI	-	\$1.736	\$1.736
Muldraugh - Piccadilly ILI	\$0.057	-	\$(0.057)
Doe Valley ILI	-	\$1.660	\$1.660
Penile - Paddy's ILI	\$0.033	-	\$(0.033)
Riverport 12" ILI	-	\$1.005	\$1.005
WK B ILI	\$0.686	\$3.134	\$2.448
WK A ILI	\$0.074	-	\$(0.074)
Total	\$1.640	\$12.406	\$10.766

- Decrease of \$4.103 million cost for the development of a dual-diameter inspection tool that was included in the base year.
  - \$0.246 million is due to an increase in pipeline integrity management costs. This is primarily company labor to implement actions associated with the Mega Rule part 1 and transmission integrity management program.
- i. The \$1.252 million projected increase in FERC 880 in the test year is due primarily to the following:
- a. \$0.632 million is due to Gas Trouble work charged to this account in the test year while the base year cost for this work is primarily in account 880. The total increase for the Gas Trouble work (including all accounts) from the base period was \$0.069 million.
  - b. \$0.543 million is due to IT OT security's new program, discussed in Mr. Bellar's testimony on pages 5-6, which was not in the base year. For this program, the cost estimate was derived from the Black and Veatch assessment that was completed in 2020. Black and Veatch was hired to assess the overall Operational Technology cybersecurity posture of the company and made recommendations to the company. They estimated additional costs needed to mitigate cybersecurity vulnerabilities within the OT. Their estimates were based on industry experience. See below for development of the estimate from Black and Veatch:

Assumed FTEs	3.17
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Annual Cost Per FTE	\$160,160
FTE Cost	\$506,986
Ongoing Technology Costs	\$72,408
Total Gas O&M	\$579,394
Estimate Used in Budget	\$543,000

- \$0.287 million is due to Pipeline Safety Management Systems. The test year increase is due to 3 additional headcount: lead engineer codes and standards and two data analysts. See the response to AG-KIUC DR 1-57 and Metro DR 1-110a for position descriptions.
  - Decreased by \$0.206 million to reflect the impact of potential retirements within Gas Operations.
- j. The \$2.755 million projected increase in FERC 887 in the test year is primarily due to the following:
- \$1.850 million is due to the Ballardsville inline inspection and validation digs. The pipeline inspections and validation digs will be conducted in accordance with the distribution integrity management regulations and are to enhance pipeline safety. This cost did not occur in the base period.
  - \$1.124 million is due to Gas Unlocatable (i.e., instances where the total wire cannot be detected and additional contract resources are employed to locate gas lines) that were budgeted to this account in the test year but included in account 874 in the base period. The total increase for the Gas Unlocatable work (including both accounts) from the base period was \$0.075 million.
  - \$0.284 million is due to Corrosion Control costs to mitigate corrosion on LG&E's gas pipeline system as required by PHMSA 49 CFR Part 192. The costs in the test year are based on five-year average historical costs (2015-2019) plus costs to comply with the new Mega Rule Part 2.
  - A decrease of \$0.513 million is due to Gas Trouble work charged primarily to this account in the base period while the test year cost for this work is in account 880. The total increase for the Gas Trouble work (including all accounts) from the base period was \$0.069 million.
- k. See the response to Question No. 16.
- l. See the response to part e.
- m. See the response to part f.

**EXHIBIT \_\_\_\_ (LK-30)**

**KENTUCKY UTILITIES COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00349**

**Question No. 49**

**Responding Witness: Christopher M. Garrett**

- Q-49. For both Companies, provide a schedule showing by month from January 2017 through the end of the test year, including the months between the end of the base year and the beginning of the test year, the (a) total off-system sales revenues and the (b) net margins. In addition, (c) provide the amount of the net margins reflected in the base revenue requirement in the base year and in the test year annotated and/or reconciled to the schedule provided in this response. Further, (d) separate the monthly net margins to reflect the sharing allocation between the Companies and customers and show the calculation of this allocation.
- A-49. See attached for the KU schedule.

Kentucky Utilities Company Case No. 2020-00349					
Electric Off-System Sales Revenues and Margins For January 2017 through June 2022					
Month	Total Electric Off-System Sales Revenues (a)	Total Electric Off-System Sales Net Margins (b)	Net Margin Reflected in Base Revenue Requirement <sup>(1)</sup> (c)	Customer's Share of Net Margin (75%) (d)	Company's Share of Net Margin (25%) (d)
January 2017	\$ 1,176,862	\$ 82,600	-	\$ 61,949	\$ 20,651
February 2017 <sup>(2)</sup>	60,815	21,165	-	(229)	21,394
March 2017	804,854	36,299	-	27,224	9,075
April 2017	567,031	86,618	-	64,964	21,654
May 2017 <sup>(3)</sup>	1,171,106	229,899	-	171,805	58,094
June 2017 <sup>(3)</sup>	136,545	(126)	-	525	(651)
July 2017	194,971	31,047	-	23,285	7,762
August 2017	112,561	8,328	-	6,246	2,082
September 2017	760,562	235,345	-	176,509	58,836
October 2017	775,935	85,139	-	63,854	21,285
November 2017	232,372	16,142	-	12,107	4,035
December 2017	315,562	6,930	-	5,198	1,732
January 2018	\$ 6,947,173	\$ 1,674,970	\$ -	\$ 1,256,228	\$ 418,742
February 2018	367,119	26,699	-	20,024	6,675
March 2018	333,072	11,033	-	8,274	2,759
April 2018	1,264,765	205,374	-	154,031	51,343
May 2018	909,552	168,599	-	126,449	42,150
June 2018	659,596	156,350	-	117,263	39,087
July 2018	1,031,856	235,186	-	176,390	58,796
August 2018	621,239	145,463	-	109,097	36,366
September 2018	2,357,673	1,005,657	-	754,243	251,414
October 2018	1,969,334	505,929	-	379,447	126,482
November 2018	854,144	174,442	-	130,832	43,611
December 2018	265,883	7,339	-	5,504	1,835
January 2019	\$ 900,714	\$ 91,353	-	\$ 68,515	\$ 22,838
February 2019	606,089	50,255	-	37,692	12,564
March 2019	280,820	5,754	-	4,316	1,439
April 2019	227,019	4,612	-	3,459	1,153
May 2019	438,622	69,173	-	51,879	17,293
June 2019	446,991	108,794	-	81,595	27,198
July 2019	1,339,052	328,616	-	246,462	82,154
August 2019	349,161	51,017	-	38,262	12,754
September 2019	695,321	186,510	-	139,883	46,628
October 2019	330,961	69,533	-	52,150	17,383
November 2019	546,728	78,598	-	58,949	19,650
December 2019	152,942	16,632	-	12,474	4,158

Kentucky Utilities Company Case No. 2020-00349					
Electric Off-System Sales Revenues and Margins For January 2017 through June 2022					
Month	Total Electric Off-System Sales Revenues (a)	Total Electric Off-System Sales Net Margins (b)	Net Margin Reflected in Base Revenue Requirement <sup>(1)</sup> (c)	Customer's Share of Net Margin (75%) (d)	Company's Share of Net Margin (25%) (d)
January 2020	\$ 127,508	\$ 8,085	\$ -	\$ 6,064	\$ 2,021
February 2020	42,548	32	-	24	8
March 2020	21,795	28	-	21	7
April 2020	102,093	12,568	-	9,426	3,142
May 2020	246,437	58,008	-	43,506	14,502
June 2020	341,701	70,644	-	52,983	17,661
July 2020	1,212,078	234,277	-	175,708	58,569
August 2020	725,164	154,639	-	115,979	38,660
September 2020	440,255	81,457	-	61,093	20,364
October 2020	154,285	12,660	-	9,495	3,165
November 2020	641,419	122,673	-	92,005	30,668
December 2020	858,176	168,453	-	126,340	42,113
January 2021	\$ 462,663	\$ 20,778	-	\$ 15,584	\$ 5,195
February 2021	455,581	34,611	-	25,959	8,653
March 2021	588,644	109,755	-	82,316	27,439
April 2021	19,836	1,066	-	800	267
May 2021	342,029	43,282	-	32,462	10,821
June 2021	606,514	115,011	-	86,258	28,753
July 2021	331,013	73,293	-	54,970	18,323
August 2021	147,826	25,085	-	18,813	6,271
September 2021	400,500	75,350	-	56,513	18,838
October 2021	84,973	8,762	-	6,571	2,190
November 2021	25,104	470	-	352	117
December 2021	333,762	5,284	-	3,963	1,321
January 2022	\$ 232,198	\$ 444	-	\$ 333	\$ 111
February 2022	266,891	10,035	-	7,526	2,509
March 2022	357,697	3,754	-	2,816	939
April 2022	17,996	(0)	-	(0)	(0)
May 2022	236,391	27,845	-	20,883	6,961
June 2022	227,646	36,639	-	27,479	9,160

(1) There are no off-system sales revenues or expenses reflected in the base revenue requirement. Effective July 1, 2015, all revenues and expenses flow through the Off-System Sales Tracker, per PSC Order 2014-00371.

(2) Customer/Company allocation is not 75% / 25% due to prior period adjustments related to RTO Costs dating back to 2014 when the Off-System Sales Tracker was not in place.

(3) Customer/Company allocation is not 75% / 25% due to corrections related to ECR Consumables. ECR Consumables recorded in May 2017 were incorrect and subsequently corrected in June 2017.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Joint Initial Data Requests of the Attorney General and KIUC  
Dated January 8, 2021**

**Case No. 2020-00350**

**Question No. 49**

**Responding Witness: Christopher M. Garrett**

- Q-49. For both Companies, provide a schedule showing by month from January 2017 through the end of the test year, including the months between the end of the base year and the beginning of the test year, the (a) total off-system sales revenues and the (b) net margins. In addition, (c) provide the amount of the net margins reflected in the base revenue requirement in the base year and in the test year annotated and/or reconciled to the schedule provided in this response. Further, (d) separate the monthly net margins to reflect the sharing allocation between the Companies and customers and show the calculation of this allocation.
- A-49. See attached for the LG&E schedule.

Louisville Gas and Electric Company Case No. 2020-00350					
Electric Off-System Sales Revenues and Margins For January 2017 through June 2022					
Month	Total Electric Off-System Sales Revenues (a)	Total Electric Off-System Sales Net Margins (b)	Net Margin Reflected in Base Revenue Requirement <sup>(1)</sup> (c)	Customer's Share of Net Margin (75%) (d)	Company's Share of Net Margin (25%) (d)
January 2017	\$ 2,475,932	\$ 588,547	\$ -	\$ 441,410	\$ 147,137
February 2017 <sup>(2)</sup>	213,814	139,030	-	17,016	122,014
March 2017	2,062,075	474,066	-	355,550	118,517
April 2017	542,566	90,661	-	67,996	22,665
May 2017 <sup>(3)</sup>	1,368,230	157,140	-	246,829	(89,689)
June 2017 <sup>(3)</sup>	121,794	181,539	-	7,181	174,358
July 2017	134,387	21,357	-	16,018	5,339
August 2017	47,000	3,236	-	2,427	809
September 2017	400,824	98,245	-	73,684	24,561
October 2017	767,228	109,198	-	81,898	27,299
November 2017	72,351	3,858	-	2,894	965
December 2017	1,195,581	300,451	-	225,338	75,113
January 2018	\$ 18,801,374	\$ 11,451,772	-	\$ 8,588,829	\$ 2,862,943
February 2018	460,739	53,944	-	40,458	13,486
March 2018	532,575	116,419	-	87,314	29,105
April 2018	1,433,214	358,945	-	269,209	89,736
May 2018	901,101	199,169	-	149,377	49,792
June 2018	529,943	143,265	-	107,449	35,816
July 2018	666,011	137,011	-	102,758	34,253
August 2018 <sup>(2)</sup>	665,606	231,569	-	118,082	113,487
September 2018	1,827,183	821,467	-	616,100	205,367
October 2018	1,376,362	395,526	-	296,645	98,882
November 2018	1,271,799	224,431	-	168,323	56,108
December 2018	1,735,436	407,226	-	305,420	101,807
January 2019	\$ 1,897,848	\$ 622,166	-	\$ 466,624	\$ 155,541
February 2019	1,043,643	203,480	-	152,610	50,870
March 2019	601,014	72,150	-	54,112	18,037
April 2019	416,752	(7,735)	-	(5,801)	(1,934)
May 2019	599,419	184,897	-	138,673	46,224
June 2019	365,322	67,134	-	50,350	16,783
July 2019	571,220	86,789	-	65,092	21,697
August 2019	232,107	28,342	-	21,256	7,085
September 2019	637,242	208,333	-	156,250	52,083
October 2019	693,159	199,615	-	149,711	49,904
November 2019	1,105,391	215,768	-	161,826	53,942
December 2019	497,549	48,554	-	36,415	12,138

Louisville Gas and Electric Company Case No. 2020-00350					
Electric Off-System Sales Revenues and Margins For January 2017 through June 2022					
Month	Total Electric Off-System Sales Revenues (a)	Total Electric Off-System Sales Net Margins (b)	Net Margin Reflected in Base Revenue Requirement <sup>(1)</sup> (c)	Customer's Share of Net Margin (75%) (d)	Company's Share of Net Margin (25%) (d)
January 2020	\$ 760,605	\$ 117,395	-	\$ 88,046	\$ 29,349
February 2020	261,703	32,921	-	24,691	8,230
March 2020	78,204	7,932	-	5,949	1,983
April 2020	88,894	(550)	-	(413)	(138)
May 2020	88,268	1,722	-	1,291	430
June 2020	165,373	1,314	-	986	329
July 2020	363,185	5,690	-	4,268	1,423
August 2020	321,962	11,148	-	8,361	2,787
September 2020	418,516	27,067	-	20,300	6,767
October 2020	465,573	60,938	-	45,704	15,235
November 2020	829,439	93,250	-	69,937	23,312
December 2020	2,022,841	354,943	-	266,207	88,736
January 2021	\$ 2,075,879	\$ 532,722	-	\$ 399,542	\$ 133,181
February 2021	1,466,191	332,084	-	249,063	83,021
March 2021	569,675	90,986	-	68,240	22,747
April 2021	162,860	21,799	-	16,350	5,450
May 2021	463,304	42,454	-	31,840	10,613
June 2021	190,867	17,250	-	12,938	4,313
July 2021	66,205	6,655	-	4,991	1,664
August 2021	53,413	5,427	-	4,070	1,357
September 2021	235,293	31,439	-	23,579	7,860
October 2021	9,133	881	-	660	220
November 2021	145,846	24,859	-	18,644	6,215
December 2021	1,510,350	272,274	-	204,205	68,068
January 2022	\$ 1,661,867	\$ 389,947	-	\$ 292,460	\$ 97,487
February 2022	957,173	174,725	-	131,043	43,681
March 2022	1,050,630	200,447	-	150,336	50,112
April 2022	94,752	12,021	-	9,015	3,005
May 2022	251,676	33,841	-	25,381	8,460
June 2022	65,949	11,132	-	8,349	2,783

(1) There are no off-system sales revenues or expenses reflected in the base revenue requirement. Effective July 1, 2015, all revenues and expenses flow through the Off-System Sales Tracker, per PSC Order 2014-00372.

(2) Customer/Company allocation is not 75% / 25% due to prior period adjustments related to RTO Costs dating back to 2014 when the Off-System Sales Tracker was not in place.

(3) Customer/Company allocation is not 75% / 25% due to corrections related to ECR Consumables. ECR Consumables recorded in May 2017 were incorrect and subsequently corrected in June 2017.

**EXHIBIT \_\_\_\_ (LK-31)**

## SECTOR IN-DEPTH

18 July 2018



## Analyst Contacts

Jeffrey F. Cassella +1.212.553.1665  
*VP-Sr Credit Officer*  
 jeffrey.cassella@moodys.com

Tracy Rice +1.212.553.4115  
*VP-Sr Credit Officer*  
 tracy.rice@moodys.com

Yian Ning Loh +1.212.553.7296  
*Associate Managing Director*  
 ning.loh@moodys.com

A. J. Sabatelle +1.212.553.4136  
*Associate Managing Director*  
 angelo.sabatelle@moodys.com

Michael G. Haggarty +1.212.553.7172  
*Associate Managing Director*  
 michael.haggarty@moodys.com

Jim Hempstead +1.212.553.4318  
*MD-Utilities*  
 james.hempstead@moodys.com

## Regulated utilities - US

## Utility cost recovery through securitization is credit positive

Utility cost recovery charge (UCRC) securitization, a financing technique used to recover stranded costs, storm costs and other expenses, can be a credit positive tool for regulated utilities. UCRC securitization, whereby utilities issue bonds with lower financing costs that are paid back through a special customer charge, is typically underpinned by state legislation and in recent years has become more versatile and widespread. The ability to use securitization as a tool to recover, often significant, costs related to large or unforeseen developments allows utilities to avoid potentially credit negative events. However, though the mechanism typically benefits utilities and their customers, too much securitization can have negative consequences.

- » **Securitization typically benefits utilities and their current customers.** Utilities benefit because they receive an immediate source of cash from the securitization proceeds and are ensured recovery of large costs in a timely manner that may, otherwise, be recovered over a lengthy period of time or denied recovery altogether. Current utility customers benefit because the cost of the securitized debt is lower than the utility's cost of debt, which reduces the impact on their monthly bills.
- » **UCRC securitization has become more versatile and prevalent.** Utility securitization became widespread for the recovery of stranded costs following deregulation of the sector in the late 1990s. It is now used to recover costs associated with storm restoration and environmental costs, utility restructuring, deferred fuel costs and renewable energy projects.
- » **State law and financing orders strongly protect securitization assets.** There are three major components of a UCRC securitization—state legislation, a financing order and a true-up mechanism—which ultimately protect the assets backing the bonds.
- » **Too much securitization can have negative consequences.** The use of securitization removes the utility's opportunity to include the corresponding asset in its rate base and the ability to earn a return on that asset. A significant amount of securitization debt could impact customer bills substantially while hurting the utility's financial flexibility and ability to raise rates for other reasons, such as to recover future costs and investments.

## Securitization typically benefits utilities and their current customers

UCRC securitization was widely used after the deregulation of the utility sector in the late 1990s as a way to finance so-called stranded costs—the shortfall between the market value of utilities' generation assets and their book value when certain states switched to competitive electric supply markets and utilities sold their generation assets. In UCRC securitization, utilities issue bonds with lower financing costs that are paid back through a discrete customer charge. We typically view use of the technique as credit positive for utilities.

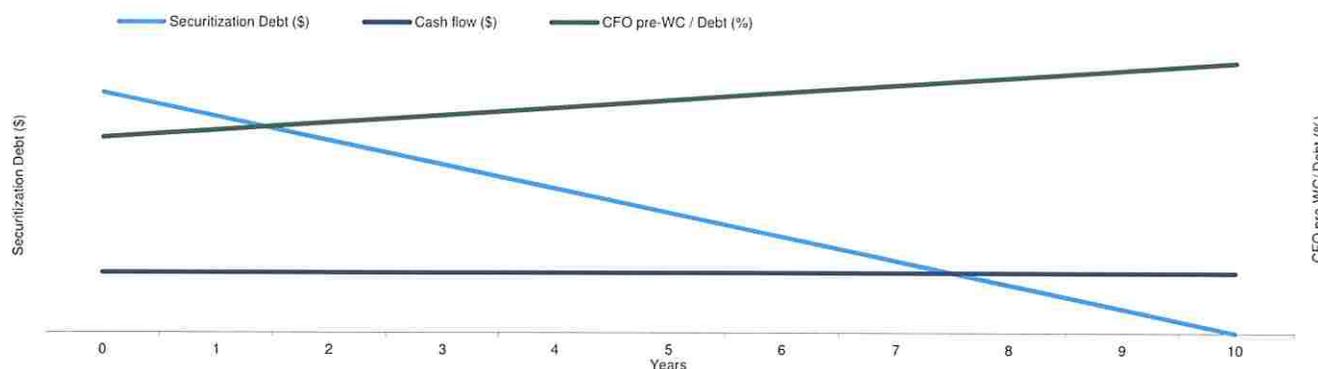
A utility benefits from the securitization because it receives an immediate source of cash. The ability to use securitization generally means the utility is allowed to recover all or most of the costs in question in a timely manner. The ability to use securitization as a tool to recover costs related to large or unforeseen developments allows utilities to avoid potentially credit negative events. The utility's ratepayers benefit because customer rates are lower than if the securitization was not utilized and in many cases avert the need for a substantial rate increase. Under state legislation, the utility must show that the savings to its customers on a net present value basis will be higher than they would have been without securitization.

The savings result from the cost of the securitized debt being lower than the utility's unsecuritized cost of debt and much lower than its all-in cost of capital, which reduces the revenue requirement associated with the cost recovery. The special surcharges involved are also spread out over a long period, typically corresponding to the maturity of the securitization bonds. This eases the impact on customer bills when compared with requesting cost recovery from customers through a one-time payment.

Exhibit 1 shows an illustrative example of the potential impact over time on a utility's ratio of cash flow from operations pre-working capital changes (CFO pre-W/C) to debt, all else being equal. Depending on the size of the securitization debt as a proportion of total debt, the impact on a utility's financial metrics can vary. If the securitization is a significant component of total debt then a utility's ratio of CFO pre-W/C to debt could be severely negatively affected.

Exhibit 1

Illustrative example of the impact UCRC securitization can have on a utility's ratio of CFO pre-W/C to debt



Source: Moody's Investors Service

In the presentation of securitization debt in our published financial ratios, we make our own assessment of the appropriate credit representation, but in most cases we follow the accounting in audited statements under US Generally Accepted Accounting Principles (GAAP), which in turn considers the terms of enabling legislation. As a result, accounting treatment may vary. In most cases, utilities have been required to consolidate securitization debt under GAAP, even though it is technically non-recourse.

We typically view securitization debt of utilities as on-credit debt, in part because the rates associated with it reduce the utility's headroom to increase rates for other purposes while keeping all-in rates affordable to customers. Thus, where accounting treatment is off balance sheet, we seek to adjust the company's financial ratios by including the securitization debt and related revenues in our analysis. Where the securitized debt is on balance sheet, our credit analysis also considers the significance of financial ratios that

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exclude securitization debt and related revenues to ensure that the benefits of securitization are not ignored. Since securitization debt amortizes mortgage-style, including it makes financial ratios look worse in early years, when most of the revenue collected goes to pay interest, and better in later years, when most of the revenue collected goes to pay principal.

**CenterPoint Energy Houston Electric has a long history of issuing securitization bonds**

In 1999, the Texas legislature adopted the Texas Electric Choice Plan, under which integrated utilities operating within the Electric Reliability Council of Texas, Inc. (ERCOT, Aa3 stable) were required to unbundle their operations into separate retail sales, power generation, and transmission and distribution companies. The legislation provided for a transition period and a true-up mechanism for the utilities to recover stranded and certain other costs resulting from the transition. Those costs were recoverable, after approval by the Public Utility Commission of Texas (PUCT), either through the issuance of securitization bonds or through the implementation of a competition transition charge as a rider to the utility's tariff.

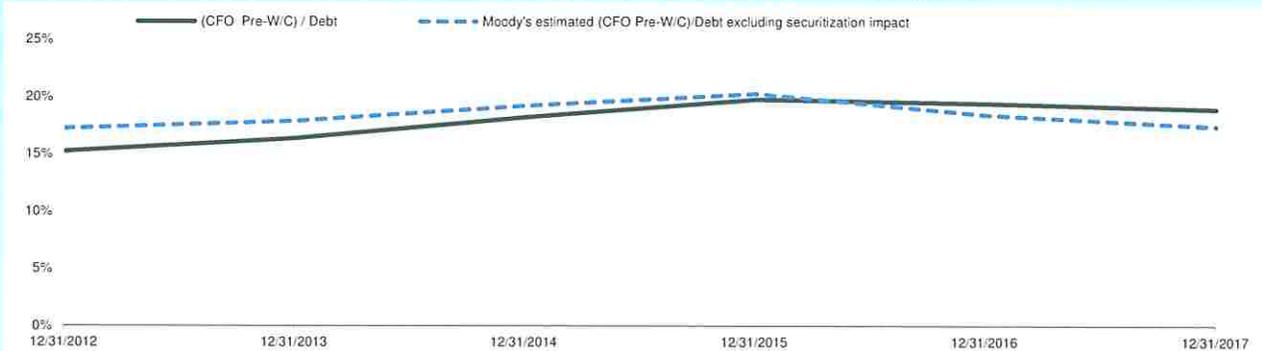
In the early 2000s, CenterPoint Energy Houston Electric, LLC (CEHE, A3 stable) restructured its business in accordance with the new law and its generating stations were sold to third parties. Over the years that followed, CEHE has worked with regulators to obtain recovery of most its stranded assets and associated costs through the use of securitization bonds and other regulatory mechanisms.

In October 2011, PUCT approved a final order that allowed CEHE to recover an additional \$1.695 billion of stranded costs through the use of securitization bonds. In January 2012, CEHE created a new special purpose subsidiary, CenterPoint Energy Transition Bond Company IV, LLC, which issued \$1.695 billion of securitization bonds in three tranches with interest rates ranging from 0.9012% to 3.0282% and final maturity dates ranging from April 15, 2018 to October 15, 2025. The securitization bonds will be repaid over time through a charge imposed on customers in CEHE's service territory.

The overall time-weighted interest rate of approximately 2.5% for the securitization bonds was substantially lower than the average rate on CEHE's unsecured debt of about 7.66% at that time. The PUCT estimated that the reduced interest charges from the securitization of the stranded costs resulted in savings for CEHE's customers of more than \$700 million over the life of the bonds.

Exhibit 2 shows our estimate of the impact on CEHE's ratio of CFO pre-W/C to debt from 2012 through 2017 due to the impact of the \$1.695 billion securitization debt. We estimate that the securitization debt had at most a 200-basis-point impact on CEHE's ratio of CFO pre-W/C to debt either positive or negative, depending on the year.

Exhibit 2  
**How CEHE's ratio of CFO pre-W/C to debt was impacted by securitization debt from 2012 through 2017**



Source: company's filings, Moody's Investors Service

## UCRC securitization has become more versatile and widespread

UCRC bonds were created after the deregulation of utilities in the late 1990s as a way to finance stranded costs. To date, more than 20 states have used this model to recover not only stranded costs but also costs associated with storm recovery and to a lesser degree environmental restoration, utility restructuring, deferred fuel costs and renewable energy projects.

In June 2005, for example, Section 366.8260 of the Florida Statutes was enacted through Senate Bill 1366, allowing the Florida Public Service Commission to authorize the state's utilities to securitize storm recovery costs. Following Hurricanes Katrina, Rita and Wilma in 2005, Arkansas, Louisiana, Mississippi and Texas joined Florida by passing special legislation giving utilities operating in their jurisdictions the option of utilizing securitization for recovery of storm costs. Recently in California, legislators are considering an amended version of Assembly Bill 33 which, as amended, would allow securitization to be used for prudently incurred costs arising from wildfires, a credit positive step for utilities dealing with potentially significant wildfire-related liabilities. Exhibit 3 shows a list of securitizations completed by utilities in recent years.

In each case, with the exception of the Entergy New Orleans LLC's (ENO, Ba1 stable) bond issuance (Aa1 (sf)) in 2015, we rated the securitization bonds Aaa (sf) owing to the strength of the state legislation, including the state's non-impairment pledge, the irrevocable financing order typically from the state public utility commission, credit enhancement consisting of a statutory uncapped true-up adjustment mechanism, the manageable size of the cost recovery charge and the remote likelihood of a successful legal, political or regulatory challenge, among other factors.

The Aa1 (sf) rating on ENO's securitization bond issuance, which is one-notch lower than the typical Aaa (sf) rating, reflects the relative small size and concentration of the ratepayer base from whom the storm recovery charge will be collected. The bonds are exposed to the risk of declines in the rate payer base in the service area of ENO in case of severe events, such as another severe hurricane.

Exhibit 3

## Moody's rated UCRC securitizations issued since 2012

Deal Name	Servicer	Issuance (\$ millions)	Year Completed	Rating (sf)	State
PSNH Funding LLC 3, Series 2018-1	Public Service Co. of New Hampshire	\$636	2018	Aaa	New Hampshire
Utility Debt Securitization Authority Restructuring Bonds, Series 2017	Long Island Power Authority	369	2017	Aaa	New York
Utility Debt Securitization Authority Restructuring Bonds, Series 2016B	Long Island Power Authority	469	2016	Aaa	New York
Duke Energy Florida Project Finance, LLC	Duke Energy Florida LLC	1294	2016	Aaa	Florida
Utility Debt Securitization Authority Restructuring Bonds, Series 2016A	Long Island Power Authority	637	2016	Aaa	New York
Utility Debt Securitization Authority Restructuring Bonds, Series 2015	Long Island Power Authority	1002	2015	Aaa	New York
Entergy New Orleans Storm Recovery Funding I, L.L.C.	Entergy New Orleans LLC	99	2015	Aa1	Louisiana
State of Hawaii Department of Business, Economic Development, and Tourism - Green Energy Market Securitization Bonds, 2014 Ser. A	Hawaii Electric Light Company, Inc. and Maui Electric Company, Limited	150	2014	Aaa	Hawaii
Louisiana Local Government Environmental Facilities and Community Development Authority - System Restoration Bonds (Louisiana Utilities Restoration Corporation Project/EGSL), Ser. 2014 (Federally Taxable)	Entergy Gulf States Louisiana, L.L.C.	71	2014	Aaa	Louisiana
Louisiana Local Government Environmental Facilities and Community Development Authority - System Restoration Bonds (Louisiana Utilities Restoration Corporation Project/ELL), Ser. 2014 (Federal Taxable)	EL Investment Company, LLC	244	2014	Aaa	Louisiana
Consumer 2014 Securitization Funding LLC - Senior Secured Securitization Bonds, Series 2014-A	Consumers Energy Company	378	2014	Aaa	Michigan
Utility Debt Securitization Authority Restructuring Bonds Series 2013T and Series 2013TE	Long Island Power Authority	2022	2013	Aaa	New York
Appalachian Consumer Rate Relief Funding LLC - Senior Secured Consumer Rate Relief Bonds	Appalachian Power Company	380	2013	Aaa	West Virginia
Ohio Phase-In-Recovery Funding LLC	Ohio Power Company	267	2013	Aaa	Ohio
FirstEnergy Ohio PIRB Special Purpose Trust 2013	Cleveland Electric Illuminating Company (The), Ohio Edison Company, Toledo Edison Company	445	2013	Aaa	Ohio
AEP Texas Central Transition Funding III LLC, Senior Secured Transition Bonds	AEP Texas Central Company	800	2012	Aaa	Texas
CenterPoint Energy Transition Bond Company IV, LLC, Series 2012 Senior Secured Transition Bonds	CenterPoint Energy Houston Electric, LLC	1695	2012	Aaa	Texas

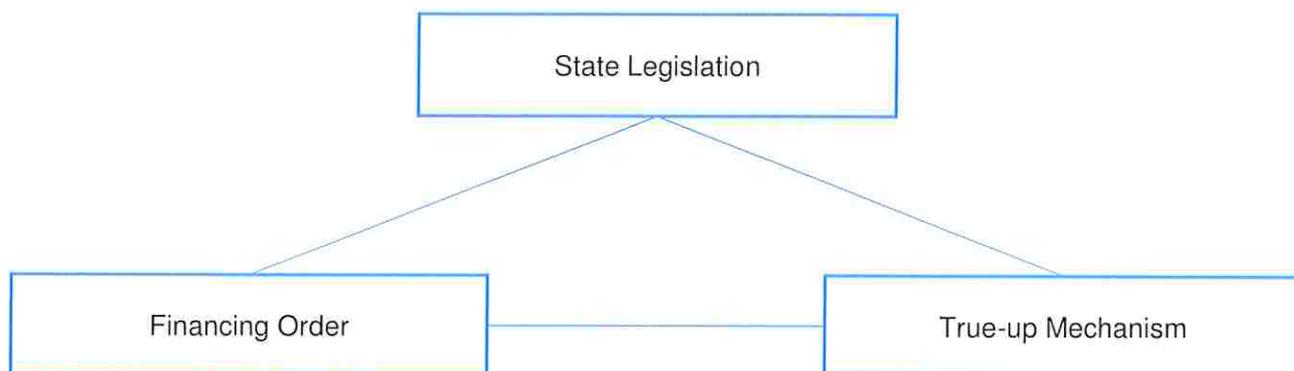
Source: Moody's Investor Service

## State law and financing order strongly protect the securitization assets

There are three major components of a UCRC securitization: state legislation, a financing order and a true-up mechanism, as shown in Exhibit 4. The securitization law and financing order legally protect the assets backing the bonds.

Exhibit 4

UCRC securitization has three major components



Source: Moody's Investors Service

The state legislature typically passes a law authorizing the utility to finance the recovery of certain costs through the issuance of securitization bonds. The legislation authorizes the creation of a property right allowing the issuer to collect special charges from customers which are used to repay the bonds. Bondholders receive protection through a non-impairment pledge, under which the state pledges that it will not take any actions that alter the charges or the law until the bonds have been repaid in full.

The legislation also mandates an irrevocable financing order, typically issued by the state public utility commission, which means the state cannot change or revoke the financing order once it is issued. The order authorizes the transaction servicer, typically the utility, on behalf of the issuer of the debt, to charge and collect the special surcharges from the utility's ratepayer base.

The securitization law and the financing order mandate a true-up adjustment mechanism under which the servicer must adjust the charges at least annually to ensure the collection of adequate funds to provide for timely payments on the securitization bonds. The securitization law also establishes the issuer of the debt as a bankruptcy-remote special purpose entity (SPE), and the utility sells the securitized asset (the property right) to the SPE via a true sale transaction. The assets are thus legally isolated from the utility. The SPE issues the bonds and uses the proceeds to acquire the asset. The SPE then uses the charge collected from the utility's customers to pay debt service until the bonds are repaid in full. The utility receives the proceeds from the bond issuance.

## Too much securitization can also have negative consequences

While the use of securitization does provide more timely recovery of costs for the utility, there can be some downside. In cases where utilities use securitization to recover stranded costs, the mechanism requires utilities to give up the opportunity to include the corresponding asset in its rate base as well as the ability to earn a return on that asset. This diminishes the utility's future earnings power and cash flow generation.

A significant amount of securitization debt could represent a substantial portion of the utility's customer bills. This would not only raise customer rates but could also prevent regulators from approving rate increases in the future, out of concern that rates are rising too much. This could in turn affect the utility's capital investments and the ability to add any such investments to rate base and earn on a return on them.

In addition, since the surcharge on customer bills used to pay off the securitization bonds will typically exist for several years, any new customers in the utility's service territory will be subject to this surcharge. As a result, future customers will be paying for costs related to historical occurrences, which may deter new commercial and industrial businesses from moving into the service territory if rates become less competitive.

Further, customer rates or cash flow used to service securitization debt is senior and has a higher legal priority to the utility's remaining cash flow generation. As such, securitization bondholders would have a senior claim in a liability waterfall during times of financial distress. So a significant amount of securitization debt within a capital structure could put secured and unsecured debt holders at risk of less than full recovery in a bankruptcy filing.

#### **Pacific Gas & Electric's securitization during bankruptcy in the early 2000's demonstrates the enforceability and resiliency of the legal structure**

In 1997, Pacific Gas & Electric Company (PG&E, A3 negative) issued \$2.9 billion of securitization bonds after obtaining approval by the California Public Utility Commission to recover stranded asset costs associated with the state's utility deregulation. When PG&E filed for bankruptcy on 6 April 2001, both the company and bankruptcy court respected the bankruptcy-remote structure of the securitization that the parties had established in order to isolate the assets of PG&E's securitization from PG&E's bankruptcy estate. PG&E remained the servicer of the transaction and continued to collect and remit the securitization payment. The securitization cash flows were not affected by the bankruptcy due to a build-up in the reserve fund and the base level of customer consumption used to calculate the 2001 tariff remained relatively stable. For these reasons among others, the Aaa (sf) rating on PG&E's stranded costs recovery securitization bonds was maintained throughout the company's bankruptcy.

The bankruptcy remoteness of securitization transactions is stronger than that of other, purely corporate asset-backed securities for several reasons including the explicit recognition, by state legislation, of the right to collect the special surcharge from customers as well as the first lien on the asset that is often granted by statute upon its transfer. The consumption-based fee is imposed on ratepayers and is not dependent on a particular electrical supplier. The fee is not affected if the servicer becomes bankrupt. The underlying legislation usually requires that any successor to the original utility (due to bankruptcy, reorganization, merger, or acquisition) must satisfy all obligations of the original utility, including the collection of the special surcharge. The right to collect the special surcharge is irrevocable and cannot be altered by either the state utility commission or the state.

In January 2005, PG&E issued \$1.9 billion of securitization known as energy recovery bonds (ERBs). The securitization financing accelerated the company's collection of the regulatory asset that was created as part of PG&E's bankruptcy. A second securitization financing was completed in late 2005 which enabled PG&E to largely recover the entire regulatory asset. This was another example where securitization was used as a tool to significantly reduce the uncertainty and length of time in the recovery of significant costs, a credit positive, while also reducing costs for customers by keeping rates lower over the long-term.

## Moody's related publications

### Sector In-Depth:

- » [Power generation - US: Coal, nuclear plant closures continue CO2 decline but power market impact muted](#) 14 June 2018
- » [Offshore Wind is Ready for Prime Time](#) 29 March 2018
- » [Tax Reform is Credit Negative for Regulated Utilities Sector, but Impact Varies by Company](#) 24 January 2018
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- » [Cross-Sector – US: Corporate Tax Cut is Credit Positive, While Effects of Other Provisions Vary by Sector](#) 21 December 2017
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- » [Utility Cost Recovery Charge Securitizations - US: True-up Mechanism Mitigates Risk Of Volatility in Electrical Consumption](#) 6 April 2017
- » [Beyond Stranded Cost Recovery: New Cost Recovery Bonds Represent Variations on Stranded Cost Bonds](#) 10 November 2008
- » [2001 Review and 2002 Outlook: Stranded Utility Costs Securitization Credit Issues In Spotlight; "Lights Out?"](#) 11 January 2002
- » [Illinois Stranded Utility Costs Securitizations: Are all Transactions Created Equal?](#) 11 December 1998

### Outlook:

- » [Regulated utilities - US: 2019 outlook shifts to negative due to weaker cash flows, continued high leverage](#) 18 June 2018

### Rating Methodologies:

- » [Regulated Electric and Gas Utilities](#) 23 June 2017
- » [Regulated Electric and Gas Networks](#) 16 March 2017
- » [U.S. Electric Generation & Transmission](#) 15 April 2013
- » [Natural Gas Pipelines](#) 6 July 2018
- » [Moody's Global Approach to Rating Securities Backed by Utility Cost Recovery Charges](#) 22 June 2015

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REPORT NUMBER 1128247

# U.S Utility Tariff/Stranded Cost Bonds Rating Criteria

## Sector-Specific Criteria

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This replaces the criteria report titled "Rating Criteria for U.S. Utility Tariff Bonds," published on Dec. 16, 2016.

### Related Criteria

Global Structured Finance Rating Criteria (May 2017)

Structured Finance and Covered Bonds Counterparty Rating Criteria (May 2017)

### Analysts

Du Trieu  
+1 312 368-2091  
du.trieu@fitchratings.com

Cole Mackenzie  
+1 212 908-0830  
cole.mackenzie@fitchratings.com

Yun Tian  
+1 212 908-0307  
yun.tian@fitchratings.com

Melvin Zhou  
+1 212 908-0503  
melvin.zhou@fitchratings.com

John H. Bella  
+1 212 908-0243  
john.bella@fitchratings.com

### Scope

This report presents Fitch Ratings' analytical approach to rating U.S. utility tariff/stranded cost bonds. The criteria are relevant for new ratings and surveillance, with differences detailed herein. It outlines the unique features of a tariff bond relative to a traditional asset-backed security (ABS), notably, the bond's characteristics as an intangible, future-flow regulatory asset, and the special protections available to holders of tariff bonds that qualify achievement of 'AAAsf' ratings.

The revenue streams provided by the dedicated tariff are used for utilities to recoup cost associated with lost revenue or cost associated with repairing utilities' transmission and distribution system following a natural disaster (utility tariff bonds). Additionally, the dedicated tariff can be used to recoup unrecoverable contractual and sunk cost (stranded cost) due to de-regulation within the utility sector.

Fitch has only assigned 'AAAsf' ratings in this sector; therefore, Fitch's new issue methodology only addresses 'AAAsf' rating outcomes. To date, Fitch has only rated transactions issued by electric utilities, and the analyses have been focused on electric consumption by customers within the utilities' service territory. However, Fitch believes the analysis and stress assumptions detailed in the criterion can be applied to other utility sectors, such as water and gas. In these unique circumstances, Fitch expects the legal and regulatory framework to be consistent with typical electric utility-issued transactions.

### Key Rating Drivers

Each of the following key rating drivers is of equal importance for the analysis.

**Regulatory Framework:** Unlike that of other ABS transactions, the cash flow stream supporting tariff bonds is a special tariff established under legislative or regulatory authority. Thus, the first and most significant component in Fitch's rating analysis is a thorough understanding of the statute and order.

**Legal Risks:** Fitch's analysis of tariff transactions includes a review of the legal structure to confirm that the cash flow derived from the special tariff will not be impaired or diminished.

**Revenue Stability** The cash flow supporting tariff bonds is generated by payments from all or designated categories of customers in the utility's service territory. As such, Fitch reviews the composition of the service territory. Fitch also reviews the size of the tariff relative to the total customer bill to determine its viability, as (in Fitch's view) excessive charges may present additional risk of political or regulatory challenge.

**Structural and Cash Flow Analysis:** Fitch uses a proprietary cash flow model, which is customized to reflect the payment structure of the transaction, and tests the impact of stressing various assumptions, including historical chargeoff and variance patterns. The output of the cash flow model is reviewed to determine whether the rated bonds are fully paid in accordance with the transaction documents in each stress scenario associated with a particular bond's rating.

## Data Sources and Adequacy

Fitch utilizes historical data provided by the utility as inputs in its cash flow model, as well as for performance-based qualitative measures. Specifically, the stresses derived for the purposes of this methodology were developed based a combination of historical data specific to each utility issuing the bonds and Fitch's analytical expertise. Therefore, Fitch reviews to receive a minimum of five to 10 years of historical data demonstrating forecast consumption variance, delinquency rates and chargeoffs for each customer class. Fitch also expects to see data supporting the calculation and allocation of the tariff charge for each customer class, including the average customer bill for each class.

Historical data analysis may be deemed inadequate by Fitch due to (but not limited to) factors such as limited data availability and a history of poor consumption forecasting. In circumstances where full data sets are not provided or where Fitch deems provided data inadequate, Fitch will adjust its cash flow model assumptions accordingly, likely using a worst case scenario approach. If data provided are inadequate or insufficient, Fitch may cap the ratings it assigns or elect to not rate the transaction outright.

## Legal and Regulatory Framework

Utility tariff/stranded cost bonds are secured by collateral in the form of a dedicated special tariff. The special tariff is a regulatory asset established pursuant to an enabling act (the statute) passed by a state legislature to serve a public interest need for this type of financing. The statute is followed by a regulatory approval referred to as a financing order (the order) issued by that state's utility commission or the equivalent agency of the state authorizing the issuance of bonds backed by the special tariff.

The statute uses the authority of the state contemplating securitization to establish obligations, such as the state pledge, and to grant the commission or the equivalent agency of the state any rights that it would otherwise lack under existing state law. The statute serves to order and implement the state's policy objectives with regard to the tariff monetization, whereas the order is analogous to a comprehensive procedures manual that sets forth specific transaction terms and related provisions.

Fitch begins its analysis of utility tariff/stranded cost securitizations by closely analyzing the legal framework in place, specifically, the statute and order. In states considering securitization, a special tariff component will be established as an irrevocable charge through the statute approved by the state legislature and by the order approved by the commission or the equivalent agency of the state. While reviewing the provisions of the statute and/or order, Fitch focuses primarily on the

### **Legal and Regulatory Checklist**

- Special tariff established as a property right.
- Irrevocable by subsequent legislatures or commissions or the equivalent agency of the state.
- Statute, if applicable, includes the state non-impairment pledge.
- Supported by federal and state constitutional protections.
- Implication of the state referendum or ballot initiative process.
- Bankruptcy-remote issuer, nonconsolidation of trust assets with the utility and a true sale of property rights.
- First-perfected security interest in the property rights granted to the indenture trustee.
- Tariff true-up mechanism.
- Nonbypassable charges for customers connected to the distribution network.
- Guidelines for consolidated billing by third-party energy providers, if applicable.

following seven legal and/or regulatory features of the transaction to determine compliance to its criteria:

- property right;
- irrevocability and state support;
- bankruptcy remoteness/true sale;
- utility successor requirements;
- third-party energy providers;
- true-up mechanism; and
- nonbypassability.

It is important to emphasize that Fitch views the absence of enabling provisions (in the statute and/or order) that address any of the first five elements listed above as generally inconsistent with 'AAAsf' ratings.

### Property Right

Since the asset securing the tariff bonds is a right to a future cash flow stream, Fitch expects the statute or order to establish future special tariff collections as a property right that can be transferred and pledged as a security interest. Since the property right may not be governed by the Uniform Commercial Code, procedures for establishing a first-perfected security interest should also be outlined in the statute or order, as applicable. The amount of the special tariff, as well as the rules for its collection, should be defined in the order approved by the commission or the equivalent agency of the state in the relevant state.

### Irrevocability and State Support

Irrevocability of the special tariff prohibits the legislature, the commission or any other agency or governmental entity from rescinding, altering or amending the special tariffs or property rights in any way that would reduce or impair their value. Fitch considers the irrevocability language an important protection against changing political agendas in the legislative or executive branches of government. It represents a high level of assurance of state regulatory action in support of the revenue requirements of tariff bonds.

Once the bonds are issued, Fitch expects this high level of assurance of state regulatory action to be further supported by the contracts and takings clauses of the U.S. Constitution and most state constitutions, which protect against contract impairment and property seizures without just compensation.

Tariff bonds are not direct obligations of the state or guaranteed by the state's full faith and credit. However, if the tariff bonds are issued pursuant to specific legislation, the statute typically includes a state non-impairment pledge wherein the state agrees that it will not limit or alter the special tariffs (the property right), the order or any other right under the bonds until the principal and interest on the bonds are fully paid or unless adequate compensation has been made to safeguard bondholder rights.

Because the assets securing these bonds are created through the political and regulatory processes, the statute and order will be subject to challenge from opposing parties. While the political process differs from state to state, the enactment of legislation or issuance of the order involves a process in which interested parties have the opportunity to challenge or submit amendments to the proposed language.

Generally, after the statute is approved by the legislature and/or the order is issued by the commission or the equivalent agency of the state, there is an additional defined period when outside parties can challenge the statute or order through litigation. When this period expires, the potential for further political and regulatory attack is substantially diminished. Therefore, transaction closings are expected to occur only after the statute and order become non-appealable.

Fitch recognizes that many states have a ballot initiative and/or referendum process that allows opposition groups to place a petition on the election ballot upon receipt of a given number of voter signatures. When analyzing tariff bonds issued under the relevant statute in these states, it is important to understand how ballot initiatives or referenda affect the federal and state constitutional protections, the irrevocability language and the state non-impairment pledge. Fitch expects transaction counsel to provide an analysis of the constitutional protections and issues in the relevant state.

### **Bankruptcy Remote/True Sale**

The statute or order is expected to protect bondholders from the interruption or impairment of cash flows in the event of a utility bankruptcy, as explained in the Utility Successor Requirements section below. It is also expected to provide that the transfer of property rights to the trust will be treated as an absolute transfer, not as a pledge, of the seller's right to, title to and interest in the property. The statute or order should also define conditions for a valid, enforceable and perfected security interest for the indenture trustee.

Legal opinions typically provided by counsel representing parties in utility tariff/stranded cost transactions are detailed in Appendix B.

To date, there have only been a limited number of utility bankruptcies associated with securitizations. Within this small subset, the securitizations continued to perform within expectations with no interference from any legislative or government entity. Since 2005, Fitch has not been aware of any utility bankruptcies that have impacted a Fitch-rated ABS transaction.

### **Utility Successor Requirements**

As with any future-flow securitization, asset-generation risk or the risk that the assets (special tariffs) may not be generated as expected in the future due to the utility's inability to continue operating, is a key consideration. Fitch believes this risk is largely mitigated by successor requirements imposed by the statute/order and the essential nature of utility services.

Therefore, to effectively de-link the rating of tariff bonds from that of the utility, Fitch considers it essential that the statute or order create an obligation on the commission or the equivalent agency of the state to ensure that, in the event of the incumbent utility's sale or bankruptcy, any successor to the utility (including, but not limited to, the utility as debtor-in-possession and the reorganized utility after bankruptcy) be treated as a successor (for purposes of imposition of special tariffs on the successor's customers) and be ordered to continue servicing the tariff bonds to avoid disruption in billing and collecting.

This provides a protection if the utility merges into another entity (as was the case with Montana Power Co., which merged with NorthWestern Corporation). Moreover, in bankruptcy reorganization, the utility that emerges from bankruptcy is legally a new entity, distinct from the former company, as in the 2004 reorganizations of Pacific Gas and Electric Company and NorthWestern. Transactions that do not provide for such utility successor requirements are unlikely to meet Fitch's criteria for 'AAAsf' ratings.

### Third-Party Energy Providers

In some states, third-party energy providers (e.g. non-utility power generators, energy marketers and independent brokers) are granted the right to bill customers directly, not only for the energy commodity, but also for network distribution services performed by the utility (consolidated billing). In this case, the third-party provider collects and remits back to the utility the distribution fees and special tariff to service the tariff bonds.

If the statute or order allows for third-party consolidated billing, a typical result is the imposition by the state, authority or equivalent agency of the state of minimum credit quality or collateral requirements on parties wishing to assume this service. Generally, such guidelines include setting minimum credit standards for such providers, posting cash collateral to cover a period for which revenues are at risk and/or assumption of personal liability by the third party for billed amounts, regardless of collections. Fitch expects these guidelines to define the circumstances in which a third-party provider would be replaced either by the incumbent utility or an alternate servicer. This is important as commission or the equivalent agency of the state approval is often a prerequisite for the transfer of billing and servicing responsibilities away from designated third-party energy providers under such jurisdictions.

### True-Up Mechanism

The statute or order requires that the special tariff be reset periodically at least annually or semi-annually. The reset, referred to as the true-up mechanism, adjusts the special tariff to a level sufficient to ensure that the periodic bond payment requirements (PBPRs) (interest payments, scheduled principal amortization, related fees and any replenishment of any credit enhancement [CE] balances) are met. The statute or order may provide for more frequent resets, either discretionary or mandatory, based on the occurrence of certain events, such as a minimum percentage variance between projected and actual principal amortization. Several states have also provided for more frequent true-ups in the final years of the transaction's life.

The true-up can increase or decrease the special tariff, depending on the positive or negative variance of actual tariff payments and/or energy consumption from the utility's projections. Applications for special tariff true-ups are generally filed with the commission or the equivalent agency of the state based on updated sales forecasts for the forthcoming years. Under the statute or order, the commission or the equivalent agency of the state does not have the discretion to disapprove or alter the true-up calculation, except to correct computational or other manifest errors. Also, the commission or the equivalent agency of the state is usually obliged by the statute or order to establish special tariffs at a level sufficient to repay the debt over the scheduled term.

Under the financing order, the tariff is deemed irrevocable and prohibits any legislature, agency or governmental authority from rescinding, amending or altering the tariff that would impair or reduce the tariff value. The passed legislation includes a state impairment clause that ensures the value of the tariff cannot be altered in a negative manner until the issued bonds are paid in full.

The absence of a true-up mechanism would preclude the ability to assign a 'AAAsf' rating. However, to date, Fitch has not rated a utility tariff/stranded cost transaction that was structured without a true-up mechanism. When it exists, adjustment of the special tariffs through this mechanism is the most significant credit component for these transactions. However, if the regulatory framework does not provide for any adjustment or if the true-up mechanism is inadequate, additional CE, such as reserve accounts or subordinated tranches, may offset the absence of the true-up mechanism. In such instances, Fitch will place greater reliance on the outcome of its cash flow stress scenarios to demonstrate adequacy of alternate forms of CE.

### Nonbypassability

The special tariff is usually assessed as a charge on electric, water or gas delivery, applicable to the monopoly retail utility service. Therefore, regardless of which gas, water or electricity provider supplies the commodity delivered to the customer, the special tariff will be collected based on delivery service. This type of special tariff is frequently referred to as a network charge, since it applies to service over the utility's wire or pipeline system.

When customers are able to choose an alternative gas, water or power providers, they need to be connected to the distribution system, whether for primary or backup service, tends to limit their ability to bypass the special tariff. Customers can avoid the special tariff by changing their consumption of energy so that they are not using the distribution system or by moving out of the service area.

The statute generally provides that the special tariffs are nonbypassable, implying that a utility can collect these charges from all existing retail customers and all future retail customers within the service territory without any (or with a few) exceptions. Instances where covenants related to nonbypassability that allow for weaker provisions (that allow for significant exceptions) would not be consistent with a 'AAAsf' rating.

If the statute contains provisions that allow for significant exceptions, Fitch will apply more severe variance stresses to the related customer classes in its cash flow scenarios. However, the complete exclusion of nonbypassability provisions will likely preclude a transaction from receiving a 'AAAsf' rating, since it would introduce significant uncertainty in future cash flows, which would be difficult to quantify in cash flow stresses.

### Credit Analysis

Since the cash flow supporting the tariff bonds is generated by payments from all or designated categories of customers in the utility's service territory, it is important to analyze the composition of the service territory to determine the size and usage level of the customer base, customer delinquencies, regional economic sensitivities and weather-related seasonality.

### Customer Base

The size and variability of the customer base have a significant potential effect on cash flows to the bonds. Fitch reviews a number of economic factors in its analysis of the customer base, including the size and shape of the service territory (the geographic footprint), diversity of the customer pool, change in housing starts during recessionary periods, exposure to key industries, cyclical nature of key industries, historical recessionary bankruptcy data and existence of any major military bases in the territory. These qualitative factors help Fitch develop an understanding of the utilities' customer base, which, ultimately, provides the cash flows to pay the liabilities of the

#### *Credit Checklist*

- Composition of the customer base.
- Customer concentrations in commercial and industrial segments and customer class cross-collateralization.
- Regional industrial concentrations.
- Strength of the regional economy.
- Geographic footprint.
- Seasonality and cyclical nature.
- Size of the dedicated special tariff and effect on the all-in cost to consumers.
- Development of alternative energy-generation technologies.
- Opportunities for self-generators to disconnect from the power grid while maintaining exemption to special tariffs.

trust. In general, a utility's customer base is segmented into four primary segments — residential, commercial, industrial and government.

The residential segment will provide a high level of customer diversification, similar to that found in credit card receivables ABS transactions. Since the special tariff is assessed against a household rather than an individual, it is assumed that the majority of residents moving away from a service territory will be replaced with new residents. Thus, the residential segment tends to be a large, diversified and relatively stable source of cash flow.

Industry and individual commercial concentrations are also assessed, as the utility's commercial and industrial customers may represent significant concentration in the customer base. These customers tend to be fewer in number and contribute higher tariff revenues per account than residential customers. The government segment has historically represented a lower percentage of usage but can be exposed to government appropriation risk. Fitch incorporates the risks associated with customer concentrations in its cash flow stress tests.

Risk is greater if responsibility for specified portions of the securitized special tariffs is assigned to particular customer classes, including one or more classes with relatively few customers. Risk is mitigated if all customer classes bear responsibility through the true-up mechanism to pay in full the securitized special tariffs. In this case, the customer classes are said to be cross-collateralized.

An example of customer class concentrations is depicted in the table below. Of note, residential customers represent 50.0% of consumption and 43.3% of billed revenue. The industrial class represents 30.0% of consumption and 26.7% of billed revenue. The remaining customer concentration resides in the commercial customer class, which represents 20.0% and 30.0% of total consumption and billed revenue, respectively.

Due to the concentration diversity, the cross-collateralization softens the impact of reduced consumption in the event usage within a specific customer class declines. While utility service areas are typically diversified in regards to customer classes, Fitch may incorporate additional stresses on a nondiversified pool. In particular, if the customer base concentrations are outside historical levels for the utility, a higher stress would be considered to account for the change in concentrations. For example, in a pool with a high concentration of commercial customers and no industrial customers, Fitch may apply a similar stress on the commercial customers as described in the No-Industrials Stress section detailed on page 14 of this report.

### Customer Service Territory: XYZ Utility Co.

Customer Class	Consumption (kWh)	% of Total	Retail Billed Revenues (\$000)	% of Total
Residential	500	50	650,000	43.3
Commercial	200	20	450,000	30.0
Industrial	300	30	400,000	26.7
<b>Total</b>	<b>1,000</b>	<b>100</b>	<b>1,500,000</b>	<b>100.0</b>

kWh – Kilowatt hours. Note: Numbers may not add due to rounding.

### Size of Dedicated Tariff Component

Fitch believes that when the special tariff dedicated to servicing the bonds is a relatively small portion of customers' all-in cost of utility service, increases in the special tariff under the true-up mechanism are less likely to reduce consumers' demand for utility services or to stimulate consumers to adopt alternative, off-the-grid energy services (see the *Self-Generation and Alternate Technologies* section, starting on page 19). If the special tariff is large or total rates are high, customers may have a greater economic incentive to invest in alternative energy technologies, reduce their consumption, become self-generators or seek political or legal overturn. It is

unfavorable from a credit viewpoint if the special tariff represents a significant portion of the total delivered cost of utility services, especially if it may affect the economic competitiveness of major industrial customers in the utility's service area.

Fitch incorporates an analysis that attempts to stress pools with high industrial customer class concentration. The analysis tests the ability of the transaction to withstand the complete loss of consumption from the industrial class, assuming base case conditions hold. Where special tariffs are cross-collateralized within the utility's service territory, consumption shortfalls for a customer class (such as industrial) can be corrected with a true-up across customer classes.

Fitch believes that special tariffs (under all scenarios) in excess of 20% of the customer bill over a long financing term would generally be inconsistent with a 'AAAsf' rating. In circumstances where the special tariff exceeds the 20% threshold, the likelihood of full principal payment by the legal final maturity would not be consistent with a 'AAAsf' rating. In circumstances where multiple tariffs are charged to one specific service area, Fitch will take into consideration the aggregate amount of tariffs.

For example, if a utility issues multiple securitizations, the 20% threshold would apply to the aggregate tariffs from all the securitizations. This is a guideline utilized by Fitch based on the premise that, as long as special tariffs continue to represent a small percentage of an average customer bill, the potential for political or regulatory challenge is substantially diminished, and the reliability of the true-up mechanism as the primary source of CE is preserved.

## Structural and Cash Flow Model Analysis

### Transaction Structure

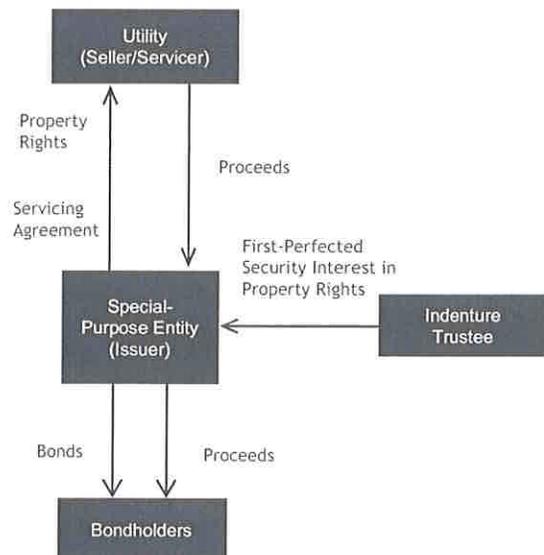
At closing, the seller, which is typically the utility, transfers its ownership interest in the property rights to a bankruptcy-remote SPV (usually a limited liability company) that serves as the issuer of the securities.

The SPV, pursuant to its statutory or regulatory authorization, will grant a first-perfected security interest in the tariff property to a trustee on behalf of bondholders. The flow chart at right summarizes the basic structure for these transactions.

Tariff bonds issued by the SPV may be tranching into multiple classes of self-amortizing bonds with serial maturities. The principal amortization schedule may be structured as level, mortgage style or variable payments. The key to assessing the appropriate amortization schedule is to determine that proposed payments are consistent with forecast seasonal fluctuations in collections.

While the projected principal amortization schedule is established at closing, principal shortfalls generally do not trigger an immediate default under the transaction documents. If there is a periodic

Transaction Structure



reset, the true-up mechanism is used to make up for any prior shortfalls in interest, principal, fees or any CE balances so that principal shortfalls are compensated by tariff adjustments on the true-up filing anniversary immediately succeeding such shortfall (or sooner if permitted by the order).

Fitch evaluates the relationships of all aspects of the structure in developing the rating for tariff bonds. However, certain structural factors are given greater weight. For example, if the authority to impose the special tariff expires after a specified date, the final maturity date for the bonds is expected to fall within the maximum term of the tariff, as defined by the statute or order. Back-ended principal payments (e.g. mortgage-style amortization) may increase risk toward the end of the term. Also, given the technology risks associated with tariff bond transactions, Fitch applies more challenging cash flow stress scenarios for longer-term bonds (*see the Self-Generation and Alternate Technologies section, starting on page 19, and the Cash Flow Modeling section on page 10*).

### Credit Enhancement

The primary form of CE for tariff bonds is the true-up mechanism, which requires that the commission or the equivalent agency of the state review and adjust the special tariff periodically to correct any undercollections or overcollections. The true-up mechanism, along with the essential nature of utility services, help mitigate the cash flow variability that may be present in a utility tariff/stranded cost transaction. Traditional CE, such as cash reserves or overcollateralization, tends to be relatively small (historically 0.5%–1.5% of the initial principal amount).

Fitch considers this minimum amount of enhancement as sufficient to achieve 'AAAsf' ratings for bonds structured with an adequate true-up mechanism, since cash flow variability is mitigated by the periodic true-ups and the essential nature of utility services. Traditional CE would be necessary to cover any timing gaps between when the bond payment is due and when the tariff true-up occurs. These traditional forms of CE are detailed in Fitch's "Global Structured Finance Rating Criteria," which discusses the various forms of CE and risks inherent in each. Therefore, it is important to understand the terms of the true-up mechanism and the overall bond structure. Fitch will review the relevant CE structure, including the true-up mechanism in each transaction and replicate it within the agency's cash flow model.

In addition to the true-up mechanism, other forms of CE typically included in the structure of tariff bonds are reserve, or excess funds, subaccounts and capital subaccounts. Reserve subaccounts are funded with excess spread, to the extent available, in each reporting period, which may have required levels based on the outstanding debt level. Alternatively, capital subaccounts are funded at transaction closing. Subaccounts are established to cover timing mismatches of collections and required payments. Withdrawals from subaccounts may occur to cover payment shortfalls. Following withdrawals, the capital and overcollateralization subaccounts are replenished in subsequent periods to the extent excess funds are available.

However, for reserve subaccounts, the true-ups are either calculated to utilize and eliminate all remaining amounts lest the tariff over-collections from customers or, in some cases, to replenish the reserve subaccounts to a required level. While the true-up mechanism adjusts the special tariffs at least annually, ideally, any cash flow shortfalls are expected to be recovered by the end of the following year.

Historically, volatility in tariff charges for Fitch-rated transactions has been limited. In cases where there is a large move in the tariff because of a true-up (accounting for large over/under-collections), this scenario has been short lived, as the tariff was adjusted at the next true-up date. Furthermore, the majority of Fitch-rated transactions are allowed to true-up more frequently if performance was significantly outside of expectations. The capital subaccount typically represents a small percentage of the initial principal balance, providing some liquidity in the early

stages of the deal, in addition to support toward the end of the transaction. Although back-end credit support is generally provided by available subaccounts, ultimately, the true-up mechanism is the primary credit support for most utility tariff/stranded cost transactions.

Sizing of the CE depends on the terms of the true-up mechanism, bond structure and strength of cash flows. For example, bonds structured with back-ended principal amortization may need higher CE in the early years to compensate for lower interest coverage. If bonds were structured without a true-up mechanism, substantially higher CE levels would be expected.

### Collection Accounts

An indenture trustee establishes collection accounts into which all special tariff collections will be deposited. The frequency of the utility's deposits to the collection accounts will depend on commingling provisions, as described in the Counterparty Risk section on page 15. Funds held in these accounts will pay transaction fees and expenses, principal and interest and any overcollateralization requirements on a monthly, quarterly or semi-annual basis. Any excess cash collected is normally held in a reserve account and, if applicable, incorporated in the calculation of the next true-up.

### Cash Flow Modeling

Fitch integrates the primary asset- and liability-side data presented in each structure into its internal proprietary tariff bond cash flow model. The assumptions embedded in the cash flow model are based on the proposed structure and terms outlined in the order. Such an approach provides Fitch with a consistent basis for comparison across different transactions. However, while the cash flow model is an important consideration in determining the final rating, ratings are ultimately assigned by a Fitch rating committee, which takes into consideration both quantitative and qualitative factors.

While forms of cash flow models vary based on the structure of the bond, as well as the statutory and regulatory framework, the models address fundamental credit issues common to all securities in this asset class. Cash flow models incorporate: the forecast energy consumption (by customer class); assumptions on collections and chargeoffs; the true-up mechanism, including the mandated frequency of true-ups and any allocation factors specified by the order; billing and servicing risks posed by third-party energy providers, if applicable; special tariffs by customer class; CE; and PBPRs.

### Modeling Methodology

When analyzing tariff bond transactions, Fitch assumes a permanent and appreciable decline in consumption attributable to various factors, including economic recessions, demographic shifts, co-generation, energy conservation and forecasting errors. Fitch's cash flow stress methodology aggregates these multiple contributory factors and applies a single variance percentage to cash collections to determine if revenue declines from adverse consumption variances are offset in subsequent periods by the application of the true-up mechanism.

### 'AAAsf' Stress

Fitch has only assigned 'AAAsf' ratings in this sector; therefore, Fitch's new issue methodology only addresses 'AAAsf' rating outcomes. Fitch's new issue methodology includes two stresses, the 'AAAsf' stress and no-industrials stress, as described below. To assign 'AAAsf' ratings, the special tariff cannot be in excess of 20% of the customer bill under both stress scenarios. Fitch's 'AAAsf' stress case stresses the following key model variables, each of which is meant

to incorporate multiple risk factors previously described and results in a reduction in cash flows below projections.

### **Stress Forecast Variance**

The first stress variable is applied as a stressed forecast variance to projected consumption. The consumption forecast is provided by the utility (issuer) to Fitch. The stressed variance is intended to incorporate the effect of an economic recession, extreme weather changes, changing usage patterns or general demographic shifts. The 'AAAsf' stressed forecast variance is set at 5.0x the historical five- to 10-year peak absolute forecast variance (i.e. the largest variance, whether the forecast was too high or too low). As a further stress, these stressed variances were applied to the first year and increased 1% annually thereafter for the first 10 years, then by 1.5% for the next five years and 2% thereafter.

Fitch believes the 'AAAsf' stresses appropriately account for potential asset deterioration from future weakness in the U.S. economy. If five to 10 years of historical forecast data are not available, Fitch will review the available history but may apply higher multiples to adjust for limited data.

### **Reforecasting Stress**

Fitch assumes that, even as actual consumption declines below original forecasts (by the stressed forecast variance above), the utility does not promptly rectify its original forecasts to reflect this adverse variance. Specifically, this stress assumes that a revision of original forecasts (or a reforecasting process) will only commence two years after the stressed forecast variances take effect. Thereafter, forecasts will be aligned with actual experience. However, in the interim two-year period, an inadequate true-up adjustment will occur, resulting in additional cash flow stresses.

### **Self-Generation/Technology Risk**

Fitch assumes that technological uncertainty increases over time, especially for commercial and industrial customers. This would subsequently increase the risk of self-generation or adoption of alternate energy sources as greater technological options become available. To incorporate this risk, Fitch assumes that the stressed variance increases exponentially over the term of the bonds, based on the perceived risk of self-generation or alternate energy sources for the utility's customer base. In some states, the special tariff is imposed even if a consumer switches to self-generation. However, Fitch does not incorporate forecast consumption from this source in its cash flow analysis. In circumstances where consumption has increased or expected to increase, Fitch will consider incorporating additional stresses in the agency's stressed cash flow scenarios, such as the application of a higher multiple to the 10-year peak consumption variance in the 'AAAsf' stress scenario.

### **Delinquency Rates**

To incorporate the effects of delinquency rates on forecast collections, Fitch reviews the utility's historical delinquency experience and applies a 5.0x multiple to the highest delinquency period. If the transaction uses a collections curve, Fitch assumes delays in actual collections beyond the collections curve.

### **Chargeoffs**

Despite utilities' historically low chargeoff ratios, Fitch applies chargeoff ratios at 5.0x the five- to 10-year historical peak chargeoff. The historical data to be analyzed may vary based on the credit quality and term of the deal.

**Successor Servicer Fee**

The 'AAAsf' stress case assumes that a successor servicer is appointed at closing. Accordingly, a higher successor servicer fee (provided for in transaction documents or as specified in the order) is utilized for purposes of cash flow modeling.

To date, only a limited number of servicers have experienced significant credit-related distress. Fitch believes there is a market for backup servicing within this sector. However, there have been limited servicer transfers in prior bankruptcy cases. Due to the essential-use nature of a utility, the servicer was mandated to continue to service their portfolios, having no impact on securitization performance. Fitch has not been aware of any utility bankruptcies that have had a material impact on Fitch-rated ABS transactions.

**Billing Risk**

Fitch assumes that, each year, cash flows relating to the month with the largest billed amount are fully written off due to a servicing disruption event.

**Additional 'AAAsf' Stresses (If Applicable)****Third-Party Billing Agent Default**

In jurisdictions where third-party energy providers are allowed to perform consolidated billing, the 'AAAsf' stress model incorporates a test of the transaction's maximum exposure to third-party collections. To test the effect of a potential third-party default, the stress case assumes third parties take over billing for a large percentage of the customer base and default each year for the entire term of the bonds. The length of the assumed default and percentage of the customer base affected vary based on the third party's commingling restrictions contained in the statute or order.

**Franchise Fee Stress**

In certain jurisdictions, franchise agreements between a utility and municipality are required for the utility to use the municipality's right of way (public property) and establish a transmission and distribution system within that particular service area. In circumstances where the utility has entered into franchise agreements permitting it to provide service to municipalities (or parishes) in exchange for a franchise fee, an implied loss is added to base case chargeoff rates, as described below.

Franchise fees payable to a municipality by a utility are typically recoverable from customers. The franchise fee stress assumes that the portion of franchise fees recoverable from customers in applicable municipalities (as a percentage of the total base revenue of the utility) is not recovered. For example, if \$5.00 is recoverable from customers as a franchise fee and the total base case revenue of the utility is \$1,000.00, 0.5% is modeled as an implied loss. The implied loss (0.5%) is added to the base case chargeoff level (say, 2.0%) to arrive at 2.5% and a 5.0x multiple is applied to it, resulting in a 'AAAsf' modeled chargeoff rate of 12.5%, instead of 10.0%.

**Interest Rate Risks**

Fitch will identify any underlying interest rate mismatches in a proposed transaction and analyze the extent to which these positions are mitigated through the transaction's hedging structure, if any. Fitch expects any relevant hedge counterparties to be consistent with Fitch's "Structured Finance and Covered Bonds Counterparty Rating Criteria," and "Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria," available on Fitch's website at [www.fitchratings.com](http://www.fitchratings.com).

## Example: XYZ Trust Series A

	Period	Residential	Commercial	Industrial	Total
Forecast Growth Rate of Electric Consumption by Customer Class (P.A.) (%)	All Years	1	1	1	—
Forecast Consumption over Time in Kilowatt Hours (kWh)	Year 0	500	200	300	1,000
	Year 1	505	202	303	1,010
	Year 2	510	204	306	1,020
	Year 3	515	206	309	1,030
Distribution of Consumption Across Customer Classes (%) <sup>a</sup>	Initial	50	20	30	100
Allocation Factors (%)	Initial	30	30	40	100
Base Case Special Tariff (\$/kWh)	Initial	0.006	0.015	0.013	—
Periodic Bond Payment Requirement (PBPR) (P.A.) (\$)	Initial	—	—	—	10
Allocation of PBPR Burden Across Customer Classes (\$) <sup>b</sup>	Initial	3	3	4	10

<sup>a</sup>Equals forecast consumption for a given customer class divided by the sum of the forecast consumption across all customer classes (for the initial year) in kWh.

<sup>b</sup>Equals forecast consumption for a given customer class (in kWh) times the base case special tariff (for the initial year). P.A. – Per annum.

### Illustrative Example

To illustrate the application of the 'AAAsf' stress case, a hypothetical tariff bond transaction has been created — XYZ Trust Series A, with XYZ Utility Co. as the sponsoring utility. As shown in the table below, XYZ Co. provides electric service to three customer classes (residential, commercial and industrial), which accounted for 50%, 20% and 30% of total consumption in that service territory, respectively, as of the closing date.

### Calculation of the Special Tariff at Each True-Up Period

The special tariff is assessed against each customer bill based on consumption (energy usage in kilowatt hour [kWh]) and is required to be adjusted via the true-up mechanism once every year. The order establishing the special tariff also stipulates that the revenue burden each period, or the PBPR, of \$10 be allocated among the three customer classes in a specific proportion. These relative revenue proportions are referred to as allocation factors and are stipulated in the order.

The initial allocation factors require that the PBPR be allocated 30%, 30% and 40% among the residential, commercial and industrial customer classes, respectively. The order allows for allocation factors to be updated periodically to reflect changes in average demand across customer classes over time and to facilitate cross-collateralization across customer classes. However, for purposes of cash flow modeling, the cash flow model may assume that allocation factors remain fixed, which creates higher volatility in the special tariffs than would actually occur.

As the expected distribution of consumption by customer class need not match the prescribed distribution of revenue burden by customer class, a uniform special tariff cannot be levied across all customer classes. Therefore, on each true-up date, the model solves for a special tariff applicable to each of the three customer classes, which would not only be sufficient to meet the PBPR but also maintain the integrity of the two relative distributions described above. Based on this methodology, the initial special tariffs are 0.6, 1.5 and 1.3 cents/kWh for the residential, commercial and industrial classes, respectively.

### 'AAAsf' Stress Variables

Fitch first applied a multiple of 5.0x to XYZ Co.'s historical 10-year peak consumption variance of 5%, 2% and 10% experienced in the residential, commercial and industrial classes, respectively. For the residential class, this translates into a stress forecast variance of 25% in year 0, which means that only 75% (i.e. 375 kWh) of the original forecast consumption of 500 kWh is realized. This stressed variance is then increased 1% annually until it reaches 28% on the legal final maturity date (year 3).

A special tariff of 0.6 cents/kWh is levied on the stressed consumption levels (for the residential class), resulting in lower billed revenues relative to the base case. To address billing risk, Fitch assumed that 100% of the billed revenue for the peak billing month (say, September) in each year is written off with no recovery. Next, to model delays in the collection of billed revenues, the collection curve is lengthened such that 50% of the amounts billed for the first two months are subject to a 30-day delay. Fitch also applied a 5.0x multiple to peak chargeoffs of 2%, resulting in stressed chargeoffs of 10%. Additionally, the increased successor servicer fee of 1% (the maximum fee permitted by the order) was utilized for purposes of cash flow modeling.

## Fitch AAAsf Stress Scenario

Stress Variable: Variance and Consumption Stress	Residential (%)	Commercial (%)	Industrial (%)
Highest Absolute Total Variance (10-Year Historical)	5	2	10
AAAsf Stress (5.0x Highest Absolute Variance)	25	10	50
% Increase in Variance Stress Each Year	1	1	1

	AAAsf Variance (%)	AAAsf Consumption <sup>a</sup>	AAAsf Variance (%)	AAAsf Consumption <sup>a</sup>	AAAsf Variance (%)	AAAsf Consumption <sup>a</sup>
Year 0	25	375.0	10	180.0	50	150.0
Year 1	26	373.7	11	179.8	51	148.5
Year 2	27	372.3	12	179.5	52	146.9
Year 3	28	370.9	13	179.3	53	145.3

Stress Variable: Delinquency Stress	Base Case (%)	AAAsf (%)
Paid on Due Date	40	20
One Month Overdue	44	42
Two Months Overdue	8	20
Three Months Overdue	4	2
Four Months Overdue	1	2
Five Months Overdue	1	2
Six Months Overdue	0	2
Never Collected	2	10
Chargeoff Stress (5.0x Historical 10-Year Peak Chargeoffs)	2	10
Servicer Fee: Successor Servicer Fee	0.25	1.00
Billing Risk	N.A.	One-Mo. Writeoff

<sup>a</sup>AAAsf consumption equals base case consumption times one minus variance. N.A. – Not available.

## No-Industrials Stress

This case is designed to test the risk from self-generation and new technologies, which is more inherent in this asset class. In service territories deemed to have industrial concentrations, Fitch tests the ability of the transaction to withstand the complete loss of consumption from the industrial class, assuming base case conditions hold. Stress tests may be further customized for specific industry concentrations that pose higher than normal credit and/or cogeneration risk.

The goal of this scenario is to analyze the impact on peak special tariffs for residential, commercial and other customer classes if all the industrial customers were to leave the service territory upon a transaction's closing.

## Rating Sensitivity Analysis

Fitch's rating sensitivity analysis seeks to determine the break-even rate of consumption decline a transaction could withstand before leading to a default in the payment terms of the transaction. In its analysis, Fitch utilizes its cash flow model to decrease the rate of consumption in 1% increments until the amounts collected are no longer enough to meet the minimum interest required each period or fully repay principal by the legal final maturity date.

(provided that nonpayment of principal according to the amortization schedule does not constitute an event of default under the bonds).

Fitch's sensitivity analysis is reviewed to understand the amount of adverse consumption variance that the transaction could withstand in a situation of a material decline in electricity demand. The goal of this scenario is to stress only one variable, the variance in consumption; therefore, all other assumptions should be consistent with the base case.

Generally, the period between the transaction closing date and first payment date is the most sensitive to consumption declines. This is because reduced tariff collections resulting from significant declines in consumption early in a transaction's life cannot be corrected until the first true-up date. Also, first payment dates often tend to follow more than six months after the transaction's close, as opposed to normal semi-annual payments, allowing for greater declines in consumption than would typically be expected from a six-month payment interval. The exact cases developed to achieve this goal will vary by transaction.

### Counterparty Risk

The following section highlights some counterparty risks to utility tariff ABS transactions. However, Fitch's counterparty analysis should be considered in conjunction with the relevant counterparty risk criteria. For more information on counterparty risk, refer to Fitch's "Structured Finance Transactions and Covered Bonds Counterparty Rating Criteria," which includes Fitch's rating criteria for assessing the operational risk of servicers of structured finance products, including ABS.

### Commingling

As tariff charge remittances are received by the utility (as servicer), transaction documents may allow for commingling of such remittances with the utility's funds for a short period. This presents the risk that, in the event of servicer bankruptcy, such remittances could be deemed to be part of the utility's bankruptcy estate. However, in accordance with Fitch's counterparty criteria, the agency views this risk as being largely mitigated because of utility tariff/stranded cost ABS' waterfall structures, which generally allow principal payments to be used to pay interest, while subsequent scheduled principal amortization shortfalls are covered via the true-up mechanism (Fitch's counterparty criteria stipulate that supplementary CE, in this case, the true-up mechanism, can be sufficient to address short-term commingling risk.)

Transactions that do not allow for principal to pay interest or contain other structural features that negate this mitigant are expected to follow the requirements governed in Fitch's counterparty criteria. To date, Fitch has not rated a utility tariff/stranded cost transaction that did not allow for principal to pay for interest. Moreover, as described in Fitch's Cash Flow Modeling section on page 10, its 'AAAsf' stress scenario includes stresses that are intended to address each transaction's ability to withstand servicing disruptions. Additionally, remittances are received on a daily basis, not clustered in a small number of days during any given month, and then transferred from the utility to the transaction-specific lock box within a short period (in most cases, within two business days). This limits the likelihood of a substantial amount of trust cash flows being commingled with the utility's other collection accounts.

### Seller/Servicer (Utility Provider) Operational Analysis

Fitch recognizes that the quality, stability and financial condition of the seller/servicer's operations have a meaningful impact on the performance of utility tariff/stranded cost ABS transactions. Fitch's

utility tariff/stranded cost/stranded cost ABS ratings include an evaluation of the seller/servicer. Historically, these transactions are serviced by the originator (the utility) of the assets. Fitch considers the servicing disruption risk low for the sector given the relative ease of servicing these type portfolios, established servicing standards, essential use nature of utilities and limited instances of bankruptcies. In the two instances where the utility filed for bankruptcy, the court affirmed the bankruptcy due to the essential use nature of electricity and allowed the utility to continue to charge and service the special tariff.

For these reasons, Fitch does not usually look for backup servicing arrangements or similar risk mitigants in its analysis. However, if servicing continuity risk is present (e.g. weak servicer credit quality and limited servicing experience), Fitch will analyze the servicing disruption risk in line with criteria outlined in its "Structured Finance and Covered Bonds Counterparty Rating Criteria" report, which typically calls for other mitigating factors, such as backup servicing arrangements, to maintain high investment-grade transaction ratings.

The utility is normally designated to act as servicer for the bonds, performing activities such as billing, calculating and collecting the tariff; calculating and filing for true-up adjustments; and forecasting sales and usage. In circumstances where a third-party energy service company performs consolidated billing, the utility functions as master servicer to consolidate and supervise collections from third parties. Utilities normally have extensive experience in the functions necessary to act as servicer. Also, a utility's ability to terminate utility services to nonpaying consumers is a strong incentive for bill payment. Additionally, the utility has an ongoing interest in continuing to perform billing and collection services, since it retains the majority of the total tariff. As such, Fitch's review of the seller/servicer focuses primarily on the utility provider.

Fitch expects to conduct a review of the utility's operations, including its credit evaluation processes, usage forecasting and servicing divisions, combined with a corporate review, prior to assigning ratings for new issuers. These reviews are often completed in conjunction with Fitch's Corporate Global Power and ABS groups. Fitch's operational analysis focuses on three main factors:

- corporate performance, including operational and financial stability;
- the capabilities and quality of credit evaluation processes and usage forecasting; and
- the capabilities and quality of servicing operations.

Given the essential use nature of utilities, there have been limited instances of bankruptcies that have led to servicer transfers. Furthermore, the servicing is generally uniform across utilities allowing for relative ease of servicing transition, if required. As such, Fitch typically does not complete post-close operational reviews. However, if unique circumstances arise such as significant changes in utilities' staff or operational changes that could have a negative impact of the transactions performance, Fitch would speak with senior management to gain an understanding of the changes and assess the impact on servicing.

### Corporate Overview

An understanding of the company's history, structure, strategic objectives, management experience and funding capabilities is key to the operational review undertaken by Fitch. Ultimately, the servicer's strength affects Fitch's performance expectations, as well as its counterparty risk analysis.

Fitch believes that the financial condition of a company/servicer has a direct impact on the stability of its operational platform and, ultimately, on the performance of utility tariff/stranded cost ABS transactions. Fitch considers several factors and quantitative metrics in reviewing a company's financial condition to assess a seller/servicer's business viability, operations and

financial health. These include available public credit ratings and, if not available, internal credit evaluation will be conducted by Fitch. For companies not rated by Fitch, the agency expects to receive at least three years of audited financial statements, history of profitability and sources and levels of capital and liquidity.

As part of the evaluation, Fitch reviews merger/acquisition activity, expansion plans or intentions to exit or scale back specific businesses that could influence operating performance. Aggressive growth objectives involving acquisitions require greater scrutiny of the utility's volume capacity and resources, as well as integration planning and execution.

While a sub-investment-grade utility may be an acceptable servicer based on its operational qualifications, Fitch expects the transaction to provide for the right to replace the utility with an alternate servicer in the event of a decline in credit rating, insolvency or failure to perform any of the duties of servicer. The order and/or transaction documents typically incorporate a successor servicer fee sufficient to adequately compensate a backup servicer that takes on this role.

Although Fitch views positively such backup servicer provisions in transaction documents, the lack of such provisions per se is not likely to limit a potential 'AAAsf' rating. However, as explained in the Utility Successor Requirements section on page 4, Fitch views it as imperative that the statute or order create an obligation on the commission or the equivalent agency of the state to ensure that, in the event of the incumbent utility's sale or bankruptcy, the successor to the utility (at the very least) be ordered to continue servicing the tariff bonds.

Fitch looks at the experience and tenure of the underwriting and servicing employees on three levels — senior management, middle management and staff. Employee hiring, turnover and retention are important issues reviewed, as are the stability and depth of the management team. Training programs are included in the evaluation of a seller/servicer.

Fitch may adjust or cap the ABS ratings issued on a securitization, adjust base case assumptions or decline to rate a transaction in cases where the agency believes it is merited based on its review of the utility. Reasons for doing so could include poor financial or operational strength and/or low corporate rating/credit assessment of an issuer/servicer/parent; inadequate ability or lack of experience in servicing or operational ability; and inadequate financial, operational or performance data/information provided by the applicable party.

### **Credit Evaluation**

Under state law or regulations, a utility is typically required to provide service to all customers, regardless of the customers' creditworthiness. In some states with dramatic swings in temperature, utilities may be prohibited from disconnecting service during extremely hot or cold seasons. For these reasons, an important factor in a utility's assessment of its customers is the utility's requirement of additional security from riskier customers. These riskier credits could result in higher delinquencies and losses, which would need to be accounted for in Fitch's stress cash flow assumptions. If service cannot be denied, most utilities require a security deposit for new customers or those who pose a greater credit risk.

### **Forecasting**

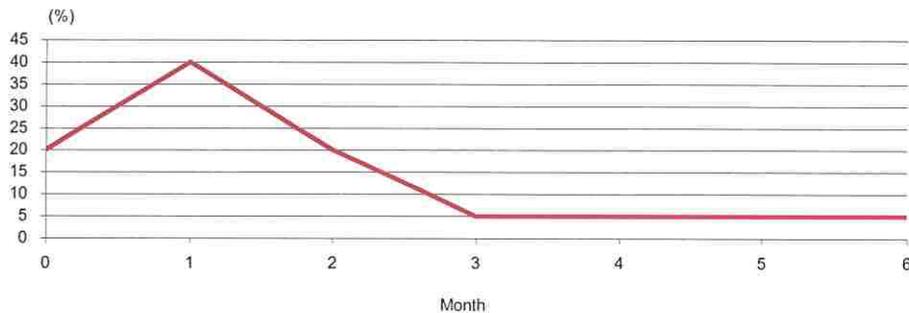
Since scheduled principal amortization is based on the utility's sales forecasts, it is important to assess the utility's forecasting ability and accuracy. Utilities generally maintain econometric models that relate historical values of energy variables to measures of the weather, economy and number of customers. Fitch reviews the utility's actual sales for prior periods relative to historical sales forecasts to determine the peak unfavorable forecast variance and the reasons for such variance for each

customer class included in the securitization. These results are used in the cash flow stress scenarios, as outlined in the Cash Flow Modeling section and stress cases, starting on page 10.

**Collections, Delinquencies and Chargeoffs**

The utility is expected to have a well-established process for pursuing and collecting delinquencies. However, since customers consider electricity or gas for heating an essential service, historical chargeoff and delinquency rates for utilities tend to be relatively low, compared with other consumer assets. It is not unusual for utilities to experience 0.50% average chargeoffs for a 20-year period. An important factor in the evaluation is whether the delivery utility is able to disconnect service for nonpayment, even if a third-party energy provider is supplying power. In some states, the ability to disconnect may be delayed or prohibited in the case of a third-party supplier, resulting in higher delinquencies and chargeoffs.

**Sample Collections Curve — % of Billed Revenues Collected**



**Billing and Remittances**

Typically, the special tariff is billed by the utility as a separate line item on the customer’s bill, but, in some cases, it is bundled into a single aggregate charge and not specifically identified on the bill. The utility’s billing systems are expected to be able to incorporate multiple components of billing information. As part of the rating process, Fitch reviews the utility’s billing systems to determine whether they are adequately prepared to identify the special tariffs and track collections.

When the special tariff is billed and collected by the utility as servicer, along with other charges that belong to the utility, it is the responsibility of the utility as servicer to calculate the proportion of collections that belong to the SPV.

Absent billing and remittance processing systems that permit the utility as servicer to identify the proportion of the bill payment by each individual consumer corresponding to the special tariff and remit the actual collections, most transactions use an alternate approach to allocate collections to the SPV.

A common alternative is the use of a collections curve to approximate the actual collections. A collections curve specifies the required percentage of each bill that must be remitted to the trust. The curve is calculated by the servicer based on an

**Servicer Checklist**

- Forecasting methods and accuracy.
- Procedures for assessing customer credit.
- Collections process, notice and disconnection policy.
- Historical delinquency and chargeoff data.
- Billing systems.
- Procedures for coordinating with third-party energy providers (if applicable).
- Limitations on commingling of securitized tariffs.
- Requirements and fees for alternate servicers.

historical average percentage of bills collected by month, with percentages adjusted periodically based on updated collections experience.

Another method utilized to approximate actual collections is to remit estimated collections based on the utility's historical experience of the average number of days customers' bills remain outstanding. Similar to the collections curve method, the percentages of days outstanding are adjusted periodically to reflect more recent collections experience.

### Self-Generation and Alternate Technologies

Because the special tariffs are assessed on energy delivery services, the market entrance of alternative energy providers is not expected to affect tariff receipts. However, in some jurisdictions, customers could potentially avoid payment of the special tariff by performing energy generation on site and disconnecting completely from the distribution grid in the case of electricity or switching to an alternate fuel in the case of natural gas.

Tariff bonds are subject to a potential risk if a substantial number of electric power consumers switch to existing or new technologies to generate power for their own use (called self-generation or autoproduction) or purchase power from a local source delivered without the use of the utility network. In aggregate, these decentralized sources are known as distributed generation. Based on data provided by utilities within the utility tariff/stranded cost ABS sector, Fitch considers it unlikely that a significant portion of the customers will implement self-generation or distributed generation immediately or that alternative technologies will develop sufficiently within the next five to 10 years to allow for widespread disconnection from the utilities' grid.

### Performance Analytics

After a rating has been assigned by Fitch, the ongoing monitoring of such rating is transitioned to a primary analyst. The analyst is responsible for collecting and analyzing relevant transaction data and presenting collected information to a rating committee, as described below. Although monitored upon receipt of a servicer certificate, each transaction is reviewed at least once annually. Fitch will investigate and resolve any identified potential data issues prior to proceeding with the analysis of that transaction. If data critical to the analysis are unavailable or determined to be insufficient, Fitch may consequently withdraw the related ratings.

Fitch expects to receive periodic servicer certificates, received at least annually, to be utilized in its review process. Servicer certificates and performance for every transaction are tracked on a quarterly or semi-annual basis, depending on bond payment frequencies. Based on performance data, if bonds are not amortizing as expected or if capital or overcollateralization subaccounts are not at levels required by the transaction's documentation, an analyst will make inquiries with the issuer, possibly triggering an in-depth review. Transaction-specific performance is published on Fitch's surveillance website. Metrics such as bond amortization, collections and CE levels are tracked and available to investors.

Utilizing the data gathered from the servicer certificates and aggregated on Fitch's internal database, the analyst evaluates the various performance metrics listed above, as well as the evaluation of microeconomic and macroeconomic issues affecting the issuer. These metrics are compared with initial expectations and industry/sector trends. Fitch will contact the servicer/issuer if additional detail is needed regarding performance changes within the transaction. Additional information requests may include further tariff detail, billing collections and color on consumption variance.

Furthermore, Fitch expects to receive data demonstrating the size of the tariff charge relative to the total customer bill to verify that the charge is not approaching threshold levels. To date,

Fitch has not employed the use of its cash flow model as part of the review process, as other performance measures as described above are sufficient for Fitch's analysis. Given the effectiveness of the true-up mechanism in all Fitch-rated transactions, there have not been any negative rating actions taken in this sector. However, in a circumstance where the true-up does not provide adequate credit support, resulting in shortfalls in the subaccounts, significant changes in amortization and an increase in the tariff beyond the 20% threshold, a more in-depth review of the transaction would be completed.

The more in-depth review would include updated stress cash flow modeling scenarios. Updated consumption forecast are not included in the aforementioned servicer certificates. However, as part of the in-depth review, Fitch would expect to receive an updated consumption forecast from the utility. Consistent with the rating methodology for new transactions, Fitch would apply a 5.0x multiple to the absolute peak variance for each customer class and the peak net loss/chargeoffs in its cash flow model. Additionally, the incorporation of all the 'AAAsf' stresses detailed on pages 10–13 would also be included. The goal of this analysis is to evaluate the impact on the peak special tariff as a percentage of the residential customer bill.

A tariff in excess of 20% would not be consistent with a 'AAAsf' rating. In circumstances where the tariff is in excess of 20%, utilizing the 5.0x multiple on the variance and net loss/chargeoff assumptions would suggest a potential for negative rating action. As such, Fitch would incorporate lower multiples for lower rating categories in its cash flow modeling scenarios. The rating multiples applied would be 4.0x, 3.0x and 2.0x for 'AAsf', 'Asf' and 'BBBsf', respectively. For example, if under a 4.0x multiple on the variance and net loss/chargeoff assumptions resulted in the peak tariff falling below the 20% threshold, the transaction would be considered for a downgrade to 'AAsf' from 'AAAsf'.

Counterparties to an outstanding transaction, such as servicers, trustees and derivative providers, can affect the cash flow, liquidity and performance of the transaction. Consistent with the initial review, Fitch reviews all transaction counterparties during a subsequent review to determine whether they continue to meet Fitch's criteria. Furthermore, analysts receive notice of all rating actions taken on counterparty ratings on a daily basis, as the downgrade of a transaction counterparty below a certain threshold will trigger a subsequent review, regardless of the performance of the transaction to date. Details of Fitch's counterparty criteria can be found in "Structured Finance and Covered Bonds Counterparty Rating Criteria."

### Variations from Criteria

Fitch's criteria are designed to be used in conjunction with experienced analytical judgment exercised through a committee process. The combination of transparent criteria, analytical judgment applied on a transaction-by-transaction or issuer-by-issuer basis and full disclosure via rating commentary strengthens Fitch's rating process while assisting market participants in understanding the analysis behind our ratings.

A rating committee may adjust the application of these criteria to reflect the risks of a specific transaction or entity. Such adjustments are called variations. All variations will be disclosed in the respective rating action commentaries, including their impact on the rating where appropriate.

A variation can be approved by a ratings committee where the risk, feature or other factor relevant to the assignment of a rating and the methodology applied to it are both included within the scope of the criteria, but where the analysis described in the criteria requires modification to address factors specific to the particular transaction or entity.

**Limitations**

Ratings, including Rating Watches and Outlooks assigned by Fitch, are subject to the limitations specified in Fitch's Ratings Definitions page at [www.fitchratings.com](http://www.fitchratings.com).

### Appendix: Additional Legal Considerations

Fitch's analysis of the legal risks in tariff bond transactions is comparable to its analysis of other structured finance transactions. For more detail on considerations related to the analysis of structured finance transactions, see Fitch Research on "Global Structured Finance Rating Criteria." There are also some unique aspects to the analysis of utility tariff/stranded cost/stranded cost transactions and, therefore, Fitch also considers:

- enforceability and constitutionality of the statute/order/pledge;
- the rights of and effect on bondholders upon an action seeking to impair the rights established pursuant to the statute/order and transaction documents under the U.S. Constitution and the relevant state constitution;
- the severability of the provisions of the statute/order; and
- the ability of citizens of the relevant state to seek to amend or repeal the statute/order and the likelihood of success.

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