



Stephanie L. Stumbo, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

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DEC 29 2008

**PUBLIC SERVICE
COMMISSION**

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

December 29, 2008

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

**RE: APPLICATION OF LOUISVILLE GAS AND ELECTRIC
COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS
BASE RATES - Case No. 2008-00252
(Updates to PSC-1 Question Nos. 43, 44, 49 and 57; PSC-2 Question
No. 106; and PSC-3 Question No. 28)**

**APPLICATION OF LOUISVILLE GAS AND ELECTRIC
COMPANY TO FILE DEPRECIATION STUDY - Case No. 2007-
00564**

Dear Ms. Stumbo:

On August 12, 2008, in the above-referenced proceeding, Louisville Gas and Electric Company ("LG&E") filed initial responses to Question Nos. 43, 44, and 57 of the First Data Request of Commission Staff dated July 16, 2008. Pursuant to the directives in each of these data requests, LG&E hereby provides an original and ten (10) copies of the following information:

- PSC-1 Question No. 43 - updated Rives Exhibit 2 and Analysis of Embedded Cost of Capital to reflect changes through November 30, 2008.
- PSC-1 Question No. 44 - detailed monthly income statements for November 2008.
- PSC-1 Question No. 57 - updated actual rate case expenses through November 30, 2008.

In response to Question No. 49 of the First Data Request of Commission Staff dated July 16, 2008, LG&E provided the contract with the International Brotherhood of Electrical Workers that expired on November 10, 2008. LG&E

Ms. Stephanie L. Stumbo
December 29, 2008
Page 2 of 3

has negotiated a revised contract effective November 11, 2008. LG&E hereby provides an original and ten (10) copies of the summary of contract revisions.

On September 11, 2008, in the above-referenced proceeding, LG&E filed responses to the Second Data Request of Commission Staff dated August 27, 2008. Pursuant to the directive of Question No. 106, LG&E hereby provides an original and ten (10) copies of the status of the refinancing transactions as of November 30, 2008.

On October 7, 2008, in the above-referenced proceeding, LG&E filed responses to the Third Data Request of Commission Staff dated September 24, 2008. Pursuant to the directive of Question No. 28, LG&E hereby provides an original and ten (10) copies of its updated monthly average per-gallon cost of fuel as of November 30, 2008.

Please confirm your receipt of these documents by placing the File Stamp of your Office on the enclosed additional copy.

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

Sincerely,

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

Robert M. Conroy

Enclosures

cc: Parties of Record

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC
Robert M. Watt – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
W. Duncan Crosby – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
Dennis Howard II – Office of the Attorney General (AG)
Lawrence W. Cook – Office of the Attorney General (AG)
Paul D. Adams – Office of the Attorney General (AG)
Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC)
Lisa Kilkelly – Legal Aid Society, Inc. (ACM and POWER)
David C. Brown – Stites and Harbison (Kroger)
Joe F. Childers – Getty & Childers PLLC (CAK)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC)
William A. Avera – FINCAP, Inc (E.ON U.S. LLC)
John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC)
Robert Henkes (AG)
Michael Majoros – Snavely King Majoros O'Connor & Lee (AG)
Glenn Watkins – Technical Associates (AG)
Dr. J. Randall Woolridge – Smeal College of Business (AG)
Lane Kollen – Kennedy and Associates (KIUC)
Kevin C. Higgins – Energy Strategies, LLC (Kroger)

VERIFICATION

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Shannon L. Charnas**, being duly sworn, deposes and says that she is the Director, Utility Accounting for Louisville Gas and Electric Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Shannon L. Charnas
SHANNON L. CHARNAS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 23rd day of December, 2008.

James J. Ely (SEAL)
Notary Public

My Commission Expires:

November 9, 2010

VERIFICATION

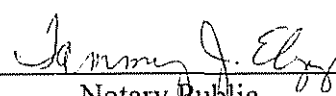
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Paula H. Pottinger, Ph.D.**, being duly sworn, deposes and says that she is the Senior Vice President, Human Resources for Louisville Gas and Electric Company, that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.



PAULA H. POTTINGER, Ph.D.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19th day of December, 2008.

 (SEAL)

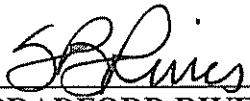
Notary Public

My Commission Expires:
November 9, 2010

VERIFICATION

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **S. Bradford Rives**, being duly sworn, deposes and says that he is the Chief Financial Officer, for Louisville Gas and Electric Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



S. BRADFORD RIVES

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 23rd day of December, 2008.



Notary Public (SEAL)

My Commission Expires:

November 9, 2011

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

**UPDATED Response to First Data Request of Commission Staff
Dated July 16, 2008**

Updated Response Filed December 29, 2008

Question No. 43

Responding Witness: S. Bradford Rives

- Q-43. Provide any information, when known, that would have a material effect on net operating income, rate base, or cost of capital that has occurred after the test year but was not incorporated in the filed testimony and exhibits.
- A-43. See attached Updated Rives Exhibit 2 and Analysis of the Embedded Cost of Capital, reflecting changes to embedded cost of capital through November 30, 2008.

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at April 30, 2008
Revised Investments in OVEC and Other (Col 4 Page 2 of 2)
With Annual Cost Rates as of November 30, 2008

	Per Books 04-30-08 (1)	Capital Structure (2)	Reacquired Bonds (not retired) (3)	Adjusted Total Company Capitalization (Col 1 + Col 3) (4)	Rate Base Percentage (Table 3 Line 24) (5)	Capitalization (Col 4 + Col 3) (6)	Adjustments to Capitalization (Col 7, Pg 2) (7)	Adjusted Capitalization (Col 6 + Col 7) (8)	Adjusted Capital Structure (9)	Annual Cost Rate November 30, 2008 (10)	Cost of Capital (Col 10 + Col 9) (11)
<u>ELECTRIC</u>											
1. Short Term Debt	\$ 158,075,200	7.25%	\$ (106,200,000)	\$ 51,875,200	79.94%	\$ 41,469,035	\$ 974,469	\$ 42,443,504	2.38%	2.95%	0.07%
2. Long Term Debt	878,104,000	40.27%	106,200,000	984,304,000	79.94%	786,852,618	18,482,168	805,334,786	45.14%	4.65%	2.10%
3. Common Equity	1,144,296,135	52.48%	-	1,144,296,135	79.94%	914,750,330	21,487,466	936,237,796	52.48%	11.25%	5.90%
4. Total Capitalization	<u>\$ 2,180,475,335</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ 2,180,475,335</u>		<u>\$ 1,743,071,983</u>	<u>\$ 40,944,103</u>	<u>\$ 1,784,016,086</u>	<u>100.00%</u>		<u>8.07%</u>
<u>GAS</u>											
1. Short Term Debt	\$ 158,075,200	7.25%	\$ (106,200,000)	\$ 51,875,200	19.47%	\$ 10,100,101	\$ 26,043	\$ 10,126,144	2.38%	2.95%	0.07%
2. Long Term Debt	878,104,000	40.27%	106,200,000	984,304,000	19.47%	191,643,989	493,947	192,137,936	45.14%	4.65%	2.10%
3. Common Equity	1,144,296,135	52.48%	-	1,144,296,135	19.47%	222,794,457	574,265	223,368,722	52.48%	11.25%	5.90%
4. Total Capitalization	<u>\$ 2,180,475,335</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ 2,180,475,335</u>		<u>\$ 424,538,547</u>	<u>\$ 1,094,255</u>	<u>\$ 425,632,802</u>	<u>100.00%</u>		<u>8.07%</u>

NOTES:

Column 10 used November 30, 2008 actual embedded cost rates.

LOUISVILLE GAS AND ELECTRIC COMPANY

Capitalization at April 30, 2008
Revised Investments in OVEC and Other (Col 4 Page 2 of 2)
With Annual Cost Rate as of November 30, 2008

	Capitalization (Col 6, By 1) (1)	Capital Structure (2)	Trimble County Inventories (a) (Col 2 + Col 3 Line 4) (3)	Investments in OVEC and Other (Col 2 + Col 4 Line 4) (4)	JDIC (Col 2 + Col 5 Line 4) (5)	Advanced Coal Investment Tax Credit (Col 2 + Col 6 Line 4) (6)	Total Adjustments To Capital (7)
ELECTRIC							
1. Short Term Debt	\$ 41,469,035	2.38%	\$ (82,121)	\$ (14,427)	\$ 754,962	316,055	\$ 974,469
2. Long Term Debt	786,852,618	45.14%	(1,557,532)	(273,623)	14,318,900	5,994,423	18,482,168
3. Common Equity	914,750,330	52.48%	(1,810,795)	(318,116)	16,647,229	6,969,148	21,487,466
4. Total Capitalization	<u>\$ 1,743,071,983</u>	<u>100.00%</u>	<u>\$ (3,450,448)</u>	<u>\$ (606,166)</u>	<u>\$ 31,721,091</u>	<u>\$ 13,279,626</u>	<u>\$ 40,944,103</u>

GAS

1. Short Term Debt	\$ 10,100,101	2.38%	\$ -	\$ -	\$ 26,043	\$ -	\$ 26,043
2. Long Term Debt	191,643,989	45.14%	-	-	493,947	-	493,947
3. Common Equity	222,794,457	52.48%	-	-	574,265	-	574,265
4. Total Capitalization	<u>\$ 424,538,547</u>	<u>100.00%</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094,255</u>	<u>\$ -</u>	<u>\$ 1,094,255</u>

(a) Trimble County Inventories @ April 30, 2008	
Stores	\$ 4,495,274
Stores Expense	763,517
Coal	8,126,704
Limestone	71,816
Fuel Oil	342,278
Emission Allowances	2,203
Total Trimble County Inventories	<u>\$ 13,801,792</u>
Multiplied by Disallowed Portion	25.00%
Trimble County Inv. Disallowed	<u>\$ 3,450,448</u>

LOUISVILLE GAS AND ELECTRIC COMPANY
ANALYSIS OF THE EMBEDDED COST OF CAPITAL AT
November 30, 2008

LONG-TERM DEBT										
	Due	Rate	Principal	Annualized Cost					Embedded Cost	
				Interest	Amortized Debt Issuance Expense	Premium	Amortized Loss-Required Debt	Total		
Pollution Control Bonds -										
Series Y - 2000 A JC	05/01/27	5.3750% *	25,000,000	4	1,343,750	-	-	112,216	1,455,966	5.82
Series Z - 2000 A TC	08/01/30	1.3800% *	83,335,000		1,150,023	38,357	-	143,700	1,332,080	1.60
Series AA - 2001 A JC	09/01/27	1.1600% *	10,104,000		117,206	19,992	-	-	137,198	1.36
Series BB - 2001 A JC	09/01/26	1.9500% *	22,500,000		438,750	9,876	-	77,424	526,050	2.34
Series CC - 2001 A TC	09/01/26	1.9500% *	27,500,000		536,250	10,740	-	65,400	612,390	2.23
Series DD - 2001 B JC	11/01/27	1.7500% *	35,000,000		612,500	10,944	-	49,056	672,500	1.92
Series EE - 2001 B TC	11/01/27	1.7500% *	35,000,000		612,500	10,944	-	48,864	672,308	1.92
Series FF - 2002 A TC	10/01/32	2.0580% *	41,665,000		857,466	36,908	-	55,812	950,186	2.28
Series GG - 2003 A JC	10/01/33	1.7500% *	128,000,000	3	2,240,000	-	-	311,184	2,551,184	1.99
Series HH - 2005 A JC	02/01/35	5.7500% *	40,000,000	4	2,300,000	-	-	92,456	2,392,456	6.98
JC2007A \$31M	06/01/33	5.6250% *	31,000,000	4	1,743,750	-	-	37,067	1,780,817	5.74
JC2007B \$35.2M	06/01/33	2.7500% *	35,200,000	3	968,000	-	-	26,991	994,991	2.83
JC2007A \$69M	06/01/33	4.6000%	60,000,000		2,760,000	47,192	-	6,567	2,813,759	4.69
Called Bonds			-		-	-	-	263,196	263,196	-
Total External Debt			574,304,000		15,680,195	184,953	-	1,289,933	17,155,081	1.62%
Interest Rate Swaps:										
JP Morgan Chase Bank	11/01/20	1			3,329,147	-	-	-	3,329,147	
Morgan Stanley Capital Services	10/01/33	1			513,408	-	-	-	513,408	
Morgan Stanley Capital Services	10/01/33	1			509,824	-	-	-	509,824	
Bank of America	10/01/33	1			524,757	-	-	-	524,757	
Wachovia	10/01/33	1			588,544	-	-	-	588,544	
Interest Rate Swaps External Debt					5,465,680	-	-	-	5,465,680	0.52%
Notes Payable to Fidelity Corp										
Notes Payable to Fidelity Corp	04/30/13	4.55%	100,000,000		4,550,000	-	-	-	4,550,000	4.55
Notes Payable to Fidelity Corp	08/15/13	5.31%	100,000,000		5,310,000	-	-	-	5,310,000	5.31
Notes Payable to Fidelity Corp	01/16/12	4.33%	25,000,000		1,082,500	-	-	-	1,082,500	4.33
Notes Payable to Fidelity Corp	04/13/37	5.98%	70,000,000		4,186,000	-	-	-	4,186,000	5.98
Notes Payable to Fidelity Corp	04/13/31	5.93%	68,000,000		4,032,400	-	-	-	4,032,400	5.93
Notes Payable to Fidelity Corp	11/26/22	5.72%	47,000,000		2,688,400	-	-	-	2,688,400	5.72
Notes Payable to Fidelity Corp	07/25/18	6.21%	25,000,000		1,552,500	-	-	-	1,552,500	6.21
Notes Payable to Fidelity Corp	11/23/15	6.48%	50,000,000		3,240,000	-	-	-	3,240,000	6.48
Mandatorily Redeemable Preferred Stock:										
\$5.875 Series	07/15/08	5.8750%	-		-	-	-	4,437	4,437	0
Total Internal Debt			485,000,000		26,641,800	-	-	4,437	26,646,237	2.52%
Total			1,059,304,000		47,787,675	184,953	0.00	1,294,370	49,266,998	4.65%

SHORT TERM DEBT										
	Rate	Principal	Annualized Cost					Embedded Cost		
			Interest	Expense	Premium	Loss	Total			
Notes Payable to Associated Company	2.950% *	243,622,200	7,186,655	-	-	-	-	7,186,655	2.95	
Reacquired Bonds	2.950% *	(163,200,000)	(4,814,400)	-	-	-	-	(4,814,400)	2.95	
Total		80,422,200	2,372,455	-	-	-	-	2,372,455	2.95%	

Embedded Cost of Total Debt 51,639,453 4.53%

Composite rate at end of current month.

1 Additional Interest due to Swap Agreements:

Underlying Debt Being Hedged	Notional Amount	Expiration of Swap Agreement	Fixed LG&E Swap Position	Variable Counterparty Swap Position
Series Z - PCB	83,335,000	11/01/20	To Pay: 5.495%	BMA Index
Series GG - PCB	32,000,000	10/01/32	To Pay: 3.657%	88% of 1 mo LIBOR
Series GG - PCB	32,000,000	10/01/32	To Pay: 3.645%	88% of 1 mo LIBOR
Series GG - PCB	32,000,000	10/01/32	To Pay: 3.695%	88% of 1 mo LIBOR
Series GG - PCB	32,000,000	10/01/32	To Pay: 3.648%	88% of 1 mo LIBOR
	211,335,000			

2 Call premium and debt expense is being amortized over the remaining life of bonds due 10/1/09 6/1/15 7/1/13 and 8/1/17

3 Reacquired bonds.

4 Remarketed bonds issued at long term fixed rate

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

**UPDATED Response to First Data Request of Commission Staff
Dated July 16, 2008**

Updated Response Filed December 29, 2008

Question No. 44

Responding Witness: Shannon L. Charnas

Q-44. Provide detailed monthly income statements for each month after the test year, including the month in which the hearing ends, as they become available.

A-44. See attached income statement for November 2008.

LOUISVILLE GAS AND ELECTRIC COMPANY

Income Statements

November 30, 2008

Louisville Gas and Electric Company
Comparative Statement of Income
November 30, 2008

	Current Month			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	89,492,289.17	61,950,523.69	27,541,765.48	44.46
Gas Operating Revenues.....	48,677,050.08	38,772,817.76	9,904,232.32	25.54
Total Operating Revenues.....	138,169,339.25	100,723,341.45	37,445,997.80	37.18
Fuel for Electric Generation.....	28,940,173.58	21,908,117.48	7,032,056.10	32.10
Power Purchased.....	16,519,470.73	6,503,770.91	10,015,699.82	154.00
Gas Supply Expenses.....	38,694,635.91	28,015,167.46	10,679,468.45	38.12
Other Operation Expenses.....	16,840,076.29	13,543,567.64	3,296,508.65	24.34
Maintenance.....	5,902,107.96	8,708,808.95	(2,806,700.99)	(32.23)
Depreciation.....	10,370,004.78	9,962,018.41	407,986.37	4.10
Amortization Expense.....	525,701.37	501,349.77	24,351.60	4.86
Regulatory Credits.....	(175,758.31)	(163,026.95)	(12,731.36)	7.81
Taxes				
Federal Income.....	7,150,721.21	2,319,851.29	4,830,869.92	208.24
State Income.....	710,893.82	441,876.44	269,017.38	60.88
Deferred Federal Income - Net.....	-	-	-	-
Deferred State Income - Net.....	-	-	-	-
Property and Other.....	1,749,468.91	2,152,319.89	(402,850.98)	(18.72)
Investment Tax Credit.....	-	-	-	-
Amortization of Investment Tax Credit.....	(322,576.68)	(329,198.00)	6,621.32	(2.01)
Loss (Gain) from Disposition of Allowances.....	-	-	-	-
Accretion Expense.....	161,003.70	148,341.13	12,662.57	8.54
Total Operating Expenses.....	127,065,923.27	93,712,964.42	33,352,958.85	35.59
Net Operating Income.....	11,103,415.98	7,010,377.03	4,093,038.95	58.39
Other Income Less Deductions.....	(13,316,539.01)	752,565.53	(14,069,104.54)	(1,869.49)
Income Before Interest Charges.....	(2,213,123.03)	7,762,942.56	(9,976,065.59)	(128.51)
Interest on Long-term Debt.....	3,182,048.68	3,658,050.39	(476,001.71)	(13.01)
Amortization of Debt Expense - Net.....	123,277.05	120,453.73	2,823.32	2.34
Other Interest Expenses.....	1,142,248.66	546,655.71	595,592.95	108.95
Total Interest Charges.....	4,447,574.39	4,325,159.83	122,414.56	2.83
Net Income.....	(6,660,697.42)	3,437,782.73	(10,098,480.15)	(293.75)

Louisville Gas and Electric Company
Comparative Statement of Income
November 30, 2008

	Year to Date			
	This Year Amount	Last Year Amount	Increase or Decrease Amount	%
Electric Operating Revenues.....	923,456,735.25	850,567,494.36	72,889,240.89	8.57
Gas Operating Revenues.....	379,800,346.17	295,850,765.31	83,949,580.86	28.38
Total Operating Revenues.....	1,303,257,081.42	1,146,418,259.67	156,838,821.75	13.68
Fuel for Electric Generation.....	310,999,022.75	289,840,563.44	21,158,459.31	7.30
Power Purchased.....	104,914,860.14	73,387,093.27	31,527,766.87	42.96
Gas Supply Expenses.....	291,214,808.48	210,554,325.91	80,660,482.57	38.31
Other Operation Expenses.....	180,685,972.96	155,990,713.86	24,695,259.10	15.83
Maintenance.....	102,001,752.08	73,410,431.11	28,591,320.97	38.95
Depreciation.....	111,336,188.96	109,395,691.35	1,940,497.61	1.77
Amortization Expense.....	5,352,311.08	5,728,988.46	(376,677.38)	(6.57)
Regulatory Credits.....	(1,890,050.99)	(1,777,717.09)	(112,333.90)	6.32
Taxes				
Federal Income.....	29,646,943.09	38,283,691.60	(8,636,748.51)	(22.56)
State Income.....	1,634,056.76	8,474,019.26	(6,839,962.50)	(80.72)
Deferred Federal Income - Net.....	9,715,363.07	2,628,383.92	7,086,979.15	269.63
Deferred State Income - Net.....	1,309,804.01	707,739.94	602,064.07	85.07
Property and Other.....	22,465,610.77	21,233,603.44	1,232,007.33	5.80
Investment Tax Credit.....	6,167,028.00	8,779,626.00	(2,612,598.00)	(29.76)
Amortization of Investment Tax Credit.....	(3,548,343.39)	(3,627,883.85)	79,540.46	(2.19)
Loss (Gain) from Disposition of Allowances.....	(456,254.88)	(553,092.69)	96,837.81	(17.51)
Accretion Expense.....	1,727,753.04	1,632,576.23	95,176.81	5.83
Total Operating Expenses.....	1,173,276,825.93	994,088,754.16	179,188,071.77	18.03
Net Operating Income.....	129,980,255.49	152,329,505.51	(22,349,250.02)	(14.67)
Other Income Less Deductions.....	(13,727,673.13)	(251,114.99)	(13,476,558.14)	5,366.69
Income Before Interest Charges.....	116,252,582.36	152,078,390.52	(35,825,808.16)	(23.56)
Interest on Long-term Debt.....	40,078,374.17	40,481,174.52	(402,800.35)	(1.00)
Amortization of Debt Expense - Net.....	1,334,702.00	1,315,586.14	19,115.86	1.45
Other Interest Expenses.....	8,049,204.60	3,517,497.30	4,531,707.30	128.83
Total Interest Charges.....	49,462,280.77	45,314,257.96	4,148,022.81	9.15
Net Income.....	66,790,301.59	106,764,132.56	(39,973,830.97)	(37.44)
Preferred Dividend Requirements.....	-	941,636.24	(941,636.24)	(100.00)
Earnings Available for Common.....	66,790,301.59	105,822,496.32	(39,032,194.73)	(36.88)

Louisville Gas and Electric Company
Comparative Statement of Income
November 30, 2008

	Year Ended Current Month			
	This Year	Last Year	Increase or Decrease	
	Amount	Amount	Amount	%
Electric Operating Revenues.....	1,005,344,808.16	933,235,422.04	72,109,386.12	7.73
Gas Operating Revenues.....	436,631,309.89	344,973,674.66	91,657,635.23	26.57
Total Operating Revenues.....	1,441,976,118.05	1,278,209,096.70	163,767,021.35	12.81
Fuel for Electric Generation.....	338,422,020.48	314,161,262.85	24,260,757.63	7.72
Power Purchased.....	113,864,814.98	81,690,139.18	32,174,675.80	39.39
Gas Supply Expenses.....	334,252,701.70	243,883,452.51	90,369,249.19	37.05
Other Operation Expenses.....	197,847,915.29	174,736,960.66	23,110,954.63	13.23
Maintenance.....	111,133,313.82	82,146,246.86	28,987,066.96	35.29
Depreciation.....	121,513,562.28	119,688,447.81	1,825,114.47	1.52
Amortization Expense.....	5,823,284.85	6,209,233.39	(385,948.54)	(6.22)
Regulatory Credits.....	(2,053,077.94)	(2,363,058.97)	309,981.03	(13.12)
Taxes				
Federal Income.....	25,987,836.48	47,504,967.43	(21,517,130.95)	(45.29)
State Income.....	780,546.03	9,434,469.88	(8,653,923.85)	(91.73)
Deferred Federal Income - Net.....	16,562,850.08	(2,080,921.61)	18,643,771.69	(895.94)
Deferred State Income - Net.....	2,102,217.53	(52,377.18)	2,154,594.71	(4,113.61)
Property and Other.....	23,128,670.81	23,288,758.89	(160,088.08)	(0.69)
Investment Tax Credit.....	6,367,028.00	11,779,626.00	(5,412,598.00)	(45.95)
Amortization of Investment Tax Credit.....	(3,871,360.48)	(3,951,643.12)	80,282.64	(2.03)
Loss (Gain) from Disposition of Allowances.....	(456,254.88)	(553,092.69)	96,837.81	(17.51)
Accretion Expense.....	1,876,094.17	2,175,962.96	(299,868.79)	(13.78)
Total Operating Expenses.....	1,293,282,163.20	1,107,698,434.85	185,583,728.35	16.75
Net Operating Income.....	148,693,954.85	170,510,661.85	(21,816,707.00)	(12.79)
Other Income Less Deductions.....	(14,281,390.71)	(146,976.72)	(14,134,413.99)	9,616.77
Income Before Interest Charges.....	134,412,564.14	170,363,685.13	(35,951,120.99)	(21.10)
Interest on Long-term Debt.....	44,016,744.04	43,362,844.99	653,899.05	1.51
Amortization of Debt Expense - Net.....	1,455,589.43	1,434,776.17	20,813.26	1.45
Other Interest Expenses.....	8,530,696.42	3,873,816.05	4,656,880.37	120.21
Total Interest Charges.....	54,003,029.89	48,671,437.21	5,331,592.68	10.95
Net Income.....	80,409,534.25	121,692,247.92	(41,282,713.67)	(33.92)
Preferred Dividend Requirements.....	-	1,243,749.48	(1,243,749.48)	(100.00)
Earnings Available for Common.....	80,409,534.25	120,448,498.44	(40,038,964.19)	(33.24)

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

**UPDATED Response to First Data Request of Commission Staff
Dated July 16, 2008**

Updated Response Filed December 29, 2008

Question No. 49

Responding Witness: Paula H. Pottinger, Ph.D.

- Q-49. Provide all current labor contracts and the most recent contracts previously in effect.
- A-49. A revised contract was negotiated with the International Brotherhood of Electrical Workers effective November 11, 2008. The contract revisions are summarized in the attached document.

TENTATIVE AGREEMENT BETWEEN

Louisville Gas and Electric Company

And

International Brotherhood of Electrical Workers Local 2100

November 6, 2008

This documents an Agreement between the Louisville Gas and Electric Company and the International Brotherhood of Electric Workers (IBEW) Local 2100 (the Union) regarding the Collective Bargaining Agreement for the period from November 11, 2008 through November 10, 2011.

Upon ratification the modified contractual language will become effective as follows:

Duration:

The duration of this Agreement is November 11, 2008 through November 10, 2011.

Wages:

Effective with the pay period begin date November 17, 2008, there shall be a 3.5% general wage increase applied to the wage rates in effect. See attached Appendix A.

Effective with the pay period begin date November 16, 2009, there shall be a 3.5% general wage increase applied to the wage rates in effect. See attached Appendix A.

Effective with the pay period begin date November 15, 2010, there shall be a 3.5% general wage increase applied to the wage rates in effect. See attached Appendix A.

Section 8.01

- Deleted language that referred to old timekeeping requirements. Company will continue to pay overtime in accordance with Article 9 and Appendix B.
- “When a workday spans midnight, time shall be charged on the day in which the majority of hours is worked. When the workday is divided evenly before and after midnight, time shall be charged on the day on which work was started.”

Section 8.03 and Section 9.01 (a) (4)

- Company agreed to start interpreting this language and 9.01(a) (4) to allow for overtime pay for that shift and not stop paying overtime rate of pay at the 48th hour.

Section 9.01 (b) 2

- Modified language to allow for out of town compensation to be greater if the pay practices of that utility are greater.
- “However, if that company’s overtime pay practice would provide more wages, then the employee will receive the greater of the two.”

Section 9.06

- Added language to allow employees who are called back to work within four hours to have those additional hours worked added to the hours worked prior to leaving. This language was added to enhance safety concerns from both the Company and Union by specifically addressing rest periods and accumulated hours of work.
- “Additionally, employees called back within four (4) hours of being released shall have their additional hours actually worked added to the hours worked before being released, for the purposes of calculating overtime pay and total hours worked.”

Section 9.07

- Modified language to allow employees working an emergency for more than one consecutive day to be compensated only once for a rest period which falls during their normal shift.
- When, in the opinion of the Company, an employee has worked for such an extended period of time as to impair his effectiveness or present a hazard to the health or safety of his fellow employees, he may be required by the Company to take off up to eight (8) hours for rest. In no event will an employee be required to work more than sixteen (16) consecutive hours without an eight (8) hour rest period. Such rest period shall be taken in its entirety unless he is requested and agrees to return to work before the expiration of such eight (8) hour rest period. If such rest period runs into the employee’s regular workday, he shall be compensated at his regular straight-time rate for all such hours to a maximum of eight (8) straight-time hours unless the rest period was initiated by the employee in accordance with this section or the rest period was initiated after an employee has worked more than sixteen (16) consecutive hours on successive days in response to an emergency as defined in Section 9.01(a)6. In the event any such eight (8) hour rest period terminates within two (2) hours or less of the end of the employee's regularly scheduled shift, the employee shall have the election of either returning to work at his regular straight-time hourly rate or not returning to work and forfeiting the remaining hours in his shift.

Section 10.12

- ...after all displacements are accomplished through the above process, any employee hired prior to November 11, 2008, who does not have a job may displace the most junior employee in the Company provided:
 - (a) the junior employee was hired after November 10, 2008, and;

Section 13.01

- Updated vacation eligibility to allow new hires to gain their first week of vacation after six months of continuous service.
- “(a) One (1) week of vacation after six (6) months of continuous service.”

Section 13.02

- Added language to allow vacation entitlements accrued in the month of December to be taken in December or rolled into the first quarter of the following year.
- “For anniversary dates occurring on or after December 1st in which there is inadequate time to permit scheduling of such vacation, with management approval, that vacation entitlement may be carried over into the following year and must be used within the first quarter.”

Section 16.08

- Added language for those who are on sick leave due to an outpatient procedure requiring general anesthesia or overnight hospitalization will have the ability to return to work for up to five days without interrupting the waiting period.
- “A return to work for not in excess of five (5) days, or a paid holiday, shall not interrupt or cancel a waiting period, beginning of sick pay or continuation of sick pay provided the employee meets the criteria as defined in Section 16.03(d).”

Section 16.09

- Modified language to allow new hires to earn their EHD earlier and defines how existing employees will earn.
- “An employee will receive an earned holiday to be taken during the calendar year when the following requirements are met:
 - (a) The employee has been employed for a minimum of 12 continuous months,
 - (b) the employee has worked a minimum of 1040 straight-time hours or more,
 - (c) and the employee has not taken any paid or no more than one (1) day unpaid sick day during the preceding calendar year.”

Section 16.03 (d)

- Added language to allow employees to begin paid sick leave not only for hospitalizations requiring overnight stay but also for admission into an outpatient care facility for procedures or treatment requiring general anesthesia (does not include x-rays, diagnostic testing, cosmetic or dental procedures.)
- “(d) Payment will also be made for any regularly scheduled workday of the waiting period: (1) Upon admission to a hospital requiring overnight stay (does not include emergency room, x-rays, diagnostic testing, cosmetic or dental procedures) or, (2) upon admission to an outpatient care facility for procedures or treatment requiring general anesthesia (does not include x-rays, diagnostic testing, or cosmetic or dental procedures.)”

Section 26.01

- Added language which allows the Company to provide \$200 to every regular full-time employee to assist with medical and dental expenses.
- “Effective January 1, 2009, the Company shall make a contribution to a health spending, health reimbursement or health savings account, as determined by the Company and established under a Company plan or applicable law, for the benefit of eligible Employees. Such contribution, which will be in the form of cash or credit, shall be made on an annual basis to the account of regular full-time Employees on the Company’s payroll as of December 31st of the year prior to the year of the contribution. The employee’s use of the contribution shall be governed by the provisions of the applicable health spending, health reimbursement or health savings account plan or law.”

Section 26.02

- Updated retiree medical credit information from the November 2007 benefits re-opener.
- “Effective January 1, 2008, up to \$180 toward the cost of insurance premium for employee who retired at age of 55 or over, with at least 10 years of continuous service. Additionally, the employee’s spouse or other dependant will be eligible for an additional \$100 toward the cost of his/her insurance premium, to a maximum total monthly contribution of \$280.00.”
- Added language to reflect higher retiree medical credit effective January 1, 2010.
- “Effective January 1, 2010, the up to \$180.00 amount will be increased to \$190.00 toward the cost of insurance premium for employees who retired at age of 55 or over, with at least 10 years of continuous service. Additionally, the employee’s spouse or other dependant will be eligible for an additional \$100.00 toward the cost of his/her insurance premium, to a maximum total monthly contribution of \$290.00.”

Section 26.05

- Updated language to reflect changes from the November 2007 benefits re-opener.
- “Employees may elect to participate in either the Delta Dental High Option or Delta Dental Basic Option provided by the Company. If the employee elects the Delta Dental Basic Option, no employee premium contribution is required. If the employee elects the Delta Dental High Option, the employee will contribute \$7 per month for single, \$17 per month for single plus one or children, \$27 per month for family coverage. The contract between Delta Dental and the Company will govern in all matters related to the plan.”

Section 27.01

- Updated language to provide 2 times life insurance coverage.
- “Effective December 1, 2008, the Company shall maintain the basic life insurance and accidental death and dismemberment plan on the basis of 2 times base rate of pay, maximum benefit of \$150,000. It will be provided on the same basis as it has in the past for those employees who are eligible and enroll in this plan.”

Section 27.05

- Updated language to reduce life insurance eligibility from three months after date of hire to date of hire effective January 1, 2009.
- “Effective January 1, 2009, an employee is eligible to participate in the basic life insurance, accidental death and dismemberment insurance, optional life insurance and dependent life insurance upon his or her date of hire.” The details of the foregoing Plans shall be as specifically provided in the master plan documents covering the terms of such Plans.”

Section 28.01

Updated flat dollar pension amounts with figures negotiated in the November 2007 benefits re-opener:

Pay Grade	1/1/08	1/1/09	1/1/10	1/1/11
1-5	\$63	\$65	\$67	\$70
6-9	\$74	\$76	\$79	\$82
10-14	\$80	\$83	\$86	\$89

Section 28.07

- Updated language to reflect increase in company match from the November 2007 benefits re-opener.
- “Louisville Gas and Electric Company Bargaining Employee’s Savings Plan: An employee is eligible to participate on the first day of the month on or after the three (3) month anniversary of his/her date of hire. Effective November 12, 2007, the Company matching contribution is 70 percent on employee contributions up to six (6) percent of covered compensation. Effective January 1, 2006, employees may contribute up to an additional 69 percent of covered compensation on a pre-tax, but unmatched basis, for a maximum of 75 percent. Effective January 1, 2006, employees age 50 or older may make “catch-up” contributions. Effective January 1, 2006, covered compensation shall include overtime and premium pay.” Upon adoption by the E.ON U.S. LLC Board of Directors, the Louisville Gas and Electric Company Bargaining Employees’ Savings Plan will be amended effective January 1, 2008, to allow employee contributions to be made as Traditional 401(k), Roth 401(k), or a combination of both.

Section 31.01

- Modified mileage language to reimburse employees for excess mileage above their normal commute from home to work and back.
- “If an employee is instructed to report to work at another location, he will be reimbursed for personal vehicle usage while on Company business at the approved reimbursement rate. The employee will be reimbursed for mileage in excess of their normal round trip mileage. Normal round trip is defined as travel from home to the normal Company work location and back home. This rule includes reporting to either another Company location or off-site for training or other business purposes.”

Magnolia Compressor Station and Center Storage Field letter on Page 117

- Deleted letter allowing this travel situation to be covered in Section 31.01.

Upgraded the following union positions to be effective 11/17/08

- C & M Mechanic A to pay grade 10
- Network Technician A to pay grade 12
- Line Technician A to pay grade 12
- Gas Pipeline Inspector to pay grade 11

Page 114 defining Payroll Divisions for Energy Delivery

- Added (21) Substation Construction & Maintenance

Neutrality Agreement

- Agreed to continue and updated with the appropriate dates

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representative to become effective November 11, 2008.

LOUISVILLE GAS & ELECTRIC
COMPANY

INTERNATIONAL BROTHERHOOD OF
OF ELECTRICAL WORKERS, LOCAL 2100

Joe Moyers, Manager, Labor Relations

Curtis Stratton, President, IBEW, Local 2100

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

**UPDATED Response to First Data Request of Commission Staff
Dated July 16, 2008**

Updated Response Filed December 29, 2008

Question No. 57

Responding Witness: Shannon L. Charnas

Q-57. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of expenses incurred to date for the following categories:

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and
- (5) Other Expenses (identify separately).

For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation that support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in (a) above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting workpapers and calculations.

c. During the course of this proceeding, provide monthly updates of the actual costs incurred, in the manner requested in (a) above. Updates will be due the last business day of each month, through the month of the public hearing.

A-57. c. See attached.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

Schedule of Rate Case Preparation Costs

Response to Commission's Order

Dated July 16, 2008

Question No. 57c

Responding Witness: Shannon L. Charnas

Date	Journal #/ Voucher #/ Check #	Vendor #	Vendor Name	Hours	Rate/Hr	Amount	Description	Account
			TOTAL LEGAL OUTSIDE COUNSEL LG&E ELECTRIC @ 10/31/08			103,420.36		
			TOTAL LEGAL OUTSIDE COUNSEL LG&E ELECTRIC			103,420.36		
31-Oct-08	FINANC103108	68792	FINANCIAL CONCEPTS AND APPLICATIONS INC	3.38	400.00	1,350.00	Consultant fees for services provided by Financial Concepts	0100.303.008960.021440.186021.0000.0301.0000
3-Oct-08	2008102	19025	THE PRIME GROUP LLC	73.31	183.12	13,425.00	LGE Rate Case-Electric	0100.303.008960.021440.186021.0000.0305.0000
3-Nov-08	2008112	19025	THE PRIME GROUP LLC	9.75	192.31	1,875.00	LGE Rate Case-Electric	0100.303.008960.021440.186021.0000.0305.0000
30-Oct-08	04779390848	59107	GANNETT FLEMING INC	9.17	165.26	1,516.06	Depreciation Study	0100.303.008990.026120.186021.0000.0314.0000
11-Nov-08	04779381027	59107	GANNETT FLEMING INC	5.49	140.80	772.36	Depreciation Study	0100.303.008990.026120.186021.0000.0314.0000
			SUBTOTAL CONSULTANTS LG&E ELECTRIC			18,938.42		
			TOTAL CONSULTANTS LG&E ELECTRIC @ 10/31/08			67,761.81		
			TOTAL CONSULTANTS LG&E ELECTRIC			86,709.23		
28-Oct-08	150505143990	57511	UNITED GRAPHICS OF LOUISVILLE			4,722.30	Newsletters	0100.303.008960.021440.186021.0000.0303.0000
17-Nov-08	17-NOV-2008 13:20 SERV	57511	ENTERPRISE RENT-A-CAR			23.38	Car Rental	0100.303.008960.021440.186021.0000.0501.0000
			SUBTOTAL SUPPLIES/SERVICES - OTHER LG&E ELECTRIC			4,745.68		
			TOTAL SUPPLIES/SERVICES - OTHER LG&E ELECTRIC @ 10/31/08			368,533.48		
			TOTAL SUPPLIES/SERVICES - OTHER LG&E ELECTRIC			373,279.16		
			TOTAL LG&E ELECTRIC			563,399.75		

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2008-00252

Schedule of Rate Case Preparation Costs

Response to Commission's Order
Dated July 16, 2008

Question No. 57c

Responding Witness: Shannon L. Charnas

Date	Journal #/ Voucher #/ Check #	Vendor #	Vendor Name	Hours	Rate/Hr	Amount	Description	Account
			TOTAL LEGAL OUTSIDE COUNSEL LG&E GAS @ 10/31/08			34,473.46		
			TOTAL LEGAL OUTSIDE COUNSEL LG&E GAS			34,473.46		
31-Oct-08	FINANC103108	68792	FINANCIAL CONCEPTS AND APPLICATIONS INC	1.13	400.00	450.00	Consultant fees for services provided by Financial Concepts	0100.503.008960.021440.186022.0000.0301.0000
3-Oct-08	2008102	19025	THE PRIME GROUP LLC	24.44	183.12	4,475.00	LGE Rate Case-Gas	0100.503.008960.021440.186022.0000.0305.0000
3-Nov-08	2008112	19025	THE PRIME GROUP LLC	3.25	192.31	625.00	LGE Rate Case-Gas	0100.503.008960.021440.186022.0000.0305.0000
30-Oct-08	04779390848	59107	GANNETT FLEMING INC	3.22	165.26	532.67	Depreciation Study	0100.503.008990.026120.186022.0000.0314.0000
11-Nov-08	04779381027	59107	GANNETT FLEMING INC	1.93	140.80	271.37	Depreciation Study	0100.503.008990.026120.186022.0000.0314.0000
			SUBTOTAL CONSULTANTS LG&E GAS			6,354.04		
			TOTAL CONSULTANTS LG&E GAS @ 10/31/08			22,627.48		
			TOTAL CONSULTANTS LG&E GAS			28,981.52		
28-Oct-08	150505143990	57511	UNITED GRAPHICS OF LOUISVILLE			1,574.10	Newsletters	0100.503.008960.021440.186022.0000.0303.0000
17-Nov-08	17-NOV-2008 13:20 SERV	57511	ENTERPRISE RENT-A-CAR			7.79	Car Rental	0100.503.008960.021440.186022.0000.0501.0000
			SUBTOTAL SUPPLIES/SERVICES LG&E GAS			1,581.89		
			TOTAL SUPPLIES/SERVICES LG&E GAS @ 10/31/08			123,123.46		
			TOTAL SUPPLIES/SERVICES - OTHER LG&E GAS			124,705.35		
			TOTAL LG&E GAS			188,160.33		
			TOTAL RATE CASE EXPENSES @ 11/30/2008			751,560.08		

FINANC 103108

FINANCIAL CONCEPTS AND APPLICATIONS, INC.
3907 RED RIVER
AUSTIN, TEXAS 78751

(512) 458-4644

fincap@texas.net
Fax (512) 458-4768

October 31, 2008

Mr. Rick Lovekamp
E.ON U.S.
Post Office Box 32010
Louisville, Kentucky 40232

RECEIVED
NOV 20 2008
ACCOUNTS PAYA

Reference No.: 01856
Taxpayer ID No.: 74-2058652

Consulting Services:

Research, Analysis, and Testimony
Preparation in Connection with Rate
Cases before the Kentucky Public
Service Commission Pursuant to E.ON
U.S. Contract No. 25561. (For the
Period October 1, 2008 through Octo-
ber 31, 2008):

Professional Time:

William E. Avera
9 hours \$ 3,600

Total

\$ 3,600

Bruce H. Falchid
Bruce H. Falchid

PO 25896

Line 1

Jammy Elms

11-20-08

Ku - 1800.00

LGE Gas - 450.00

LGE Elec. - 1350.00

The Prime Group

Invoice for Services Rendered

Invoice Date: October 3, 2008

Invoice Number 200810-2

To: E.ON
P.O. Box 32010
Louisville, KY 40232

Attn: Mr. Robert Conroy

131.0 hours of consulting work by Steve Seelye @ \$200.00/hr performed during September in responding to data requests and in providing assistance in preparing a <u>retail rate case</u> for E.ON.	\$ 26,200.00
54.0 hours of consulting work by Paul Garcia @ \$150.00/hr performed during September in responding to data requests and in providing assistance in preparing a <u>retail rate case</u> for E.ON.	\$ 8,100.00
10.5 hours of consulting work by Larry Feltner @ \$150.00/hr performed during September in responding to data requests and in providing assistance in preparing a <u>retail rate case</u> for E.ON.	\$ 1,500.00
<hr/>	
Total due for September	\$ 35,800.00

Please remit payment to: The Prime Group, LLC
P.O. Box 837
Crestwood, KY 40014-0837

PO# 25301

RECEIVED

NOV 04 2008

ACCOUNTSPAYABLE

Line 1 - 4,475.00
(Gas)
Line 2 - 13,425.00
(LGE Elec)
Line 3 - 17,900.00
(KU Elec)

35,800.00

The Prime Group, LLC
P. O. Box 837 • Crestwood, KY • 40014-0837
Phone 502-425-7882 FAX 502-326-9894

■ The Prime Group ■

October 3, 2008

EON US
Attn: Robert Conroy
P.O. Box 32010
Louisville, KY 40232

Dear Robert:

Enclosed is an invoice for the work that The Prime Group performed for EON during September in developing wholesale and retail rate cases for E.ON. Thanks for the opportunity to work with you on this project.

Sincerely,

Marty Blake

Marty Blake
Principal
Principal

RECEIVED

NOV 04 2008

ACCOUNTSPAYABI

The Prime Group

Invoice for Services Rendered

Invoice Date: November 3, 2008

Invoice Number 200811-2

To: E.ON
P.O. Box 32010
Louisville, KY 40232

Attn: Mr. Robert Conroy

22.0 hours of consulting work by Steve Seelye @ \$200.00/hr performed during October in preparing testimony to support a retail rate case for E.ON. \$ 4,400.00

4.0 hours of consulting work by Paul Garcia @ \$150.00/hr performed during October in providing assistance in preparing a retail rate case for E.ON. \$ 600.00

Total due for October

\$ 5,000.00

Please remit payment to: **The Prime Group, LLC**
P.O. Box 837
Crestwood, KY 40014-0837

RECEIVED

NOV 20 2008



PO# 2530

ACCOUNTSPAYABI

Line 1 (Gas) - 625.00
Line 2 (LGE Elec) - 1875.00
Line 3 (KU Elec) - 2500.00

INVOICE

Project: 047793

Date: October 30, 2008

E.ON U.S. Services Inc.
Attn: Manager of Property Accounting
220 West Main
P.O. Box 32020
Louisville, KY 40232

**GANNETT FLEMING, INC.
VALUATION AND RATE DIVISION**

Send check payments to:
Gannett Fleming Companies
P.O. Box 329160
Philadelphia, PA 19182-9160

P.O. BOX 87100
HARRISBURG, PA 17108-7100
(717) 763-7211

Send ACH/EFT payments to:
ABA: 031312738
Acct. No: 6003165855
Acct. Name: Gannett Fleming Companies

Federal E.I.N. 251613591



Invoice 047793*90848

Invoice Period: August 30, 2008 through September 26, 2008

Contract No. 19917 - Depreciation Study for Electric and Gas Utility Plants

Summary of Current Charges

Phase 100	- LG&E - DEPR STUDY - ELECTRIC	\$ 2,048.73 ✓
Phase 300	- KY UTILITIES - DEPR STUDY	2,000.00 ✓
Total Charges		<u>\$ 4,048.73</u>
Total Due This Invoice		\$4,048.73

RECEIVED

NOV 05 2008

PO# 19917
Release # 22

ACCOUNTS PAYABLE

Project	Task	Exp Type	Exp Org	Amount
118327	RCVRDEPRSTDE	314	026120	\$ 2,000.00
118326	RCVRDEPRSTDE	314	026120	\$ 1,516.06
118326	RCVRDEPRSTDE	314	026120	\$ 532.67

John J. Spanos

Project Manager: John J. Spanos

**GANNETT FLEMING, INC.
VALUATION AND RATE DIVISION**

Invoice Date: October 30, 2008

Invoice No: 047793*90848

Project: 047793 E.ON U.S. Services Inc.

Phase 100 -- LG&E - Depr Study - Electric

<u>Labor Costs</u> <u>Labor Classification</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John J. Spanos	10.00	\$ 185.00 ✓	\$ 1,850.00 ✓
Support Staff	2.50	75.00 ✓	187.50 ✓
Total Labor Costs			\$ 2,037.50 ✓
<u>Expenses</u>			
Postage/Federal Express			\$ 11.23 ✓
Total Expenses			11.23 ✓
Total Phase -- 100			\$ 2,048.73 ✓

Phase 300 -- KY Utilities - Depr Study

<u>Labor Costs</u> <u>Labor Classification</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John J. Spanos	10.00	\$ 185.00 ✓	\$ 1,850.00 ✓
Support Staff	2.00	75.00 ✓	150.00 ✓
Total Labor Costs			\$ 2,000.00 ✓
Total Phase -- 300			\$ 2,000.00 ✓

RECEIVED

NOV 05 2008

ACCOUNTS PAYABLE



Invoice Number	Invoice Date	Account Number	Page
2-918-02259	Sep 16, 2008		6 of 62

Picked up: Sun 09/21/08 10:00 AM
 Customer: 010-100350-047793.100
 Ref.#35

- Fuel Surcharge - FedEx has applied a fuel surcharge of 04.50% to this shipment.
- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$9871.30
- Distance Based Pricing, Zone 4

Automation	INET	Sender	Recipient
Tracking ID	791131700071	Krista McCormick	Mr. Doug Lalchy
Service Type	FedEx Priority Overnight	GANNETT FLEMING, INC	E.ON U.S. Services, Inc.
Package Type	FedEx Envelope	209 SENATE AVENUE	220 W MAIN ST
Zone	04	CAMP HILL PA 17011 US	LOUISVILLE KY 40202 US
Packages	1		
Rated Weight	N/A	Transportation Charge	20.35
Delivered	Sep 09, 2008 11:27	Fuel Surcharge	2.00
Svc Area	A1	Discount	-10.58
Signed by	.LGE	Earned Discount	-1.42
FedEx Use	000000000/0000200/_	Total Charge	USD 11.23

010-100350-047793.100 Reference Subtotal USD \$11.23

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NOV 05 2008

ACCOUNTS PAYABLE

INVOICE

Project: 047793

Date: November 11, 2008

E ON U.S. Services Inc.
 Attn: Manager of Property Accounting
 220 West Main
 P.O. Box 32020
 Louisville, KY 40232

**GANNETT FLEMING, INC.
 VALUATION AND RATE DIVISION**

Send check payments to:
 Gannett Fleming Companies
 P.O. Box 829160
 Philadelphia, PA 19182-9160

P.O. BOX 67100
 HARRISBURG, PA 17108-7100
 (717) 783-7211

Send ACH/EFT payments to:
 ABA: 031312738
 Acct. No: 5003186855
 Acct. Name: Gannett Fleming Companies

Federal E.I.N. 251613591



Invoice: 047793*81027

Invoice Period: September 27, 2008 through October 24, 2008

Contract No. 19917 - Depreciation Study for Electric and Gas Utility Plants

Summary of Current Charges

Phase 100	- LG&E - DEPR STUDY - ELECTRIC	\$	1,043.73
Phase 300	- KY UTILITIES - DEPR STUDY		927.60
	Total Charges		<u>\$ 1,971.23</u>
	Total Due This Invoice		\$1,971.23

PO # 19917
Release # 23
Debbie Wilbert
11/12/08

RECEIVED
 NOV 12 2008
 ACCOUNTS PAYA

Project:	Task:	Exp Type:	Exp Org:	Amount
118321	RCVRDEPRSTYDE	314	0210120	\$ 927.50
118326	RCVRDEPRSTYDE	314	0210120	\$ 772.36
118326	RCVRDEPRSTYDE	314	0210120	\$ 271.37

ok to pay
S. L. W. [Signature]
11/11/08

GANNETT FLEMING, INC.
VALUATION AND RATE DIVISION

Invoice Date: November 11, 2008

Invoice No: 047793*81027

Project: 047793 E.ON U.S. Services Inc.

Phase 100 -- LG&E - Dapr Study - Electric

<u>Labor Costs</u>			
<u>Labor Classification</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Associate Analyst	1.00	\$ 105.00 ✓	\$ 105.00 ✓
John J. Spanos	4.00	185.00 ✓	740.00 ✓
Support Staff	2.50	75.00 ✓	187.50 ✓
			<hr/>
	Total Labor Costs		\$ 1,032.50 ✓
<u>Expenses</u>			
Postage/Federal Express			\$ 11.23 ✓
	Total Expenses		11.23 ✓
	Total Phase -- 100		<hr/> \$ 1,043.73 ✓

Phase 300 -- KY Utilities - Depr Study

<u>Labor Costs</u>			
<u>Labor Classification</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
John J. Spanos	4.00	\$ 185.00 ✓	\$ 740.00 ✓
Support Staff	2.50	75.00 ✓	187.50 ✓
			<hr/>
	Total Labor Costs		\$ 927.50 ✓
	Total Phase -- 300		<hr/> \$ 927.50 ✓

RECEIVED
 NOV 12 2008
 ACCOUNTS PAYA



Invoice Number	Invoice Date	Account Number	Page
2-942-99807	Oct 06, 2008		7 of 50

Picked up: 10/06/2008 09:00 AM
Cust. Ref.: 010-100350-047793.100
Ref. #:
Payer/Shipper: EON U.S. Services, Inc.

- The Earned Discount for this ship date has been calculated based on a revenue threshold of \$665204
- Fuel Surcharge - FedEx has applied a fuel surcharge of 34.50% to this shipment.
- Distance Based Pricing, Zone 4

Automation	INET	Sender	Recipient	
Tracking ID	791160728860	Krista McCormick	Mr. Tammy Elzy	
Service Type	FedEx Priority Overnight	GANNETT FLEMING, INC	E.ON U.S. Services, Inc.	
Package Type	FedEx Envelope	209 SENATE AVENUE	220 W MAIN ST	
Zone	04	CAMP HILL PA 17011 US	LOUISVILLE KY 40202 US	
Packages	1			
Rated Weight	N/A	Transportation Charge		20.35
Delivered	Oct 01, 2008 10:10	Discount		-10.58
Svc Area	A1	Earned Discount		-1.42
Signed by	J. JOHNSON	Fuel Surcharge		2.60
FedEx Use	00000000/0000200/...	Total Charge	USD	\$11.23
			010-100350-047793.100 Reference Subtotal	USD \$11.23

RECEIVED
NOV 12 2008
ACCOUNTS PAYA

UNITEDGRAPHICS
 816 SOUTH ELEVENTH ST • LOUISVILLE, KY
 40210

INVOICE NO.
 150505- 143990
INVOICE DATE
 7/31/2008

CUSTOMER ORDER NO. LGEE3 **SHIP VIA** BEST **DATE SHIPPED** 7/29/2008 **SALESMAN** BVT

ORDERED	SHIPPED	FORM	DESCRIPTION	UNIT PRICE	AMOUNT
900000	900000		LG&E B&W NEWSLETTER - 2 LOTS	11880.00	11880.00

SHIP TO:
 XEROX BOC
 820 W BROADWAY
 LOUISVILLE KY 40202-

LG&E / EON
 220 W. Main Street
 Athi: Cheryl Williams
 LOUISVILLE KY 40202-

MISCIART	AMOUNT
SUBTOTAL	11880.00
FREIGHT	0.00
SALES TAX	712.80
PLEASE PAY	12592.80

CUSTOMER ORIGINAL Terms: Net 30 Days

UNITEDGRAPHICS
 816 SOUTH ELEVENTH ST • LOUISVILLE, KY 40210
 (502) 589-5588 office • (502) 589-4995 fax

INVOICE NO.
 150505- 143990
INVOICE DATE
 7/31/2008

CUSTOMER ORDER NO. LGEE3 **SHIP VIA** BEST **DATE SHIPPED** 7/29/2008 **SALESMAN** BVT

ORDERED	SHIPPED	FORM	DESCRIPTION	UNIT PRICE	AMOUNT
900000	900000		LG&E B&W NEWSLETTER - 2 LOTS	11880.00	11880.00

MISCIART	AMOUNT
SUBTOTAL	11880.00
FREIGHT	0.00
SALES TAX	712.80
PLEASE PAY	12592.80

REMIT PAYMENTS TO
 DEPT 5009
 PO BOX 740041
 LOUISVILLE, KY 40201-7441

REMITTANCE COPY Terms: Net 30 Days

Oct. 30, 2008 07:43 AM From: unknown Page: 1/3 Date: 10/30/2008 7:50:58 AM

PAGE 1 / 3

Page 1 of 1

ENTERPRISE RENT-A-CAR COMPANY OF KENTUCKY, 433 S 8TH ST, LOUISVILLE, KY 402031947 (502) 589-2211

RENTAL AGREEMENT	REF#	SUMMARY OF CHARGES					
108411	JQ1797	Charge Description	Date	Quantity	Per	Rate	Total
RENTER		TIME & DISTANCE	09/11 - 09/11	1	DAY	\$58.00	\$58.00
REINHOLD, MARTIN		RETURNING CHARGE	09/11 - 09/11				\$0.00
DATE & TIME OUT		Subtotal:					\$58.00
09/11/2008 08:32 AM		Taxes & Surcharges					
DATE & TIME IN		KENTUCKY SALES TAX	09/11 - 09/11			6%	\$0.00
09/11/2008 05:50 PM		KY 11 DRIVE LT TAX	09/11 - 09/11			0%	\$0.00
BILLING CYCLE		VEHICLE LICENSE COST	09/11 - 09/11	1	DAY	\$0.82	\$0.82
24-HOUR		RECOVERY					
VEH #1 2008 CHEV E15C SWB		Total Charges:					\$62.35
VIN# 1GCFG15XXR1135500		Bill-To / Deposits					
TRC# 624HCR		DEPOSITS					(\$62.35)
MILES DRIVEN 52		Total Amount Due					\$0.00
PAYMENT INFORMATION							
AMOUNT PAID	TYPE	CREDIT CARD NUMBER					
\$0.00	MasterCard	XXXXXXXXXXXX1234					

Tammy Ely - Procard charged per Janet Kiesler

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**UPDATED Response to Second Data Request of Commission Staff
Dated August 27, 2008**

Updated Response filed December 29, 2008

Question No. 106

Responding Witness: S. Bradford Rives

Q-106. Refer to Volume 1 of 3 of LG&E's response to Staff's first request at Item 4(a), page 3 of 3, which includes among the list of long-term debt instruments several issuances of variable rate "Pollution Control Bonds" which the Commission has granted LG&E authority to refinance.

a. For each pollution control debt instrument provide the following:

(1) The anticipated date refinancing will be completed.

(2) The anticipated cost rate to maturity.

(3) Updates to this request as new information becomes available.

b. If the specific cost rates to maturity cannot be reasonable estimated at the time of this response, state whether the anticipated cost rates are expected to be higher or lower than those shown in Item 4(a), page 3 of 3.

A-106. a. The attachment shows the anticipated refinancing date for each bond and the initial cost rate based on current market conditions. The actual rates are shown for three bonds which closed November 25. The actual rates on the remaining bonds will not be known until the refinancing transactions are completed since market rates change daily. None of these costs are expected to apply through maturity since these are variable rate or limited term fixed rate bonds whose rates will reset periodically until maturity.

The rate to maturity for variable rate bonds or limited term fixed rate bonds cannot be known as the rates reset periodically until maturity. In general, as shown in the updated Attachment to 106a, current market conditions generally support an interest rate below the rate included in the updated response to PSC-1 Question No. 43.

Louisville Gas and Electric - Tax Exempt Restructuring

<u>Series</u>	<u>Amount</u>	<u>AMT Status</u>	<u>Restructuring Option</u>	<u>Anticipated Cost Rate at Issuance*</u>	<u>Anticipated Date Refinancing Completed</u>
Jefferson 2000 A	\$ 25,000,000	Non-AMT	Put-Bond	5.375%	11/25/2008
Trimble 2000 A	\$ 83,335,000	AMT	Variable backed by L/C	3.41%	1/28/2009
Jefferson 2001 A	\$ 10,104,000	AMT	Put-Bond	5.95% - 6.50%	1/27/2009
Trimble 2002 A	\$ 41,665,000	AMT	Put-Bond	5.95% - 6.50%	1/27/2009
Metro Louisville 2003 A	\$ 128,000,000	Non-AMT	Variable backed by L/C	3.21%	1/14/2009
Metro Louisville 2005 A	\$ 40,000,000	Non-AMT	Put-Bond	5.75%	11/25/2008
Metro Louisville 2007 A	\$ 31,000,000	Non-AMT	Put-Bond	5.625%	11/25/2008
Metro Louisville 2007 B	\$ 35,200,000	Non-AMT	Put-Bond	5.20% - 5.75%	1/27/2009

Notes

*Interest rate assumptions will vary depending upon market conditions at the time of issuance. The interest rate for the Put-Bond will change at the end of the term of the put to reflect market conditions at that time.

<u>Assumptions for Variable Backed by Letter of Credit</u>	
10-Year Avg. SIFMA (as of 12/11/08)	2.56%
LOC Spread Over SIFMA	0.05%
Remarketing Fee	0.10%
All-In Rate	2.71%
L/C Facility Fee	0.70%
AMT Rate	3.41%
Non-AMT Favorability	0.20%
Non-AMT Rate	3.21%

<u>Interest Rate Estimate</u>				
	<u>Put Bonds</u>			
	<u>2-Year</u>	<u>3-Year</u>	<u>5-Year</u>	
	Non-AMT	5.20%	5.38%	5.75%
AMT	5.95%	6.13%	6.50%	

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**UPDATED Response to Third Data Request of Commission Staff
Dated September 24, 2008**

Updated Response filed December 29, 2008

Question No. 28

Responding Witness: Shannon L. Charnas

Q-28. Refer to LG&E's response to Item 97 of Staff's Second Request. Provide the monthly average per-gallon cost of fuel for September 2008. Also provide the monthly average per-gallon costs for October and November 2008 as those costs become available.

A-28. Monthly average per-gallon cost of fuel:

November 2008 \$2.15