

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Additional Information - Counties

Barren, Bullitt, Green, Hardin, Hart, Henry, Jefferson, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, Washington

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Revenues, Customers and MCF Sales

	Revenue	MCF in Gas Sold	Customers
Residential (480)	\$280,790,848.00	21,337,871	288,245
Commercial and Industrial Sales (481)			
Small (or Commercial)	\$117,311,094.00	9,435,219	24,228
Large (Or Industrial)	\$18,339,845.00	1,479,252	265
Other Sales to Public Authorities (482)	\$20,249,815.00	1,677,020	1,025
Interdepartmental Sales (484)	\$5,608,128.00	274,133	1
Total Sales to Ultimate Customers	\$442,299,730.00	34,203,495	313,764
Sales for Resale (483)	\$7,157,996.00	875,923	4
Total Natural Gas Service	\$449,457,726.00	35,079,418	313,768

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Identification (Ref Page: 1)

Name	Address	City	State	Zip	Phone
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Exact Legal Name of Respondent

Louisville Gas & Electric Company

Previous Name and Date of change (if name changed during the year)

Name Address and Phone number of the contact person

Mimi Kelly	220 West Main Street	P.O. Box 32010	Louisville	KY	40232	5026272482
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Note Filer, Attestation and signature via Electronic Filing

General Information - (1) (Ref Page: 101)

Name	Address	City	State	Zip
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Provide name and title of the Officer having custody of the general corporate books of account

Provide Address of Office where the general Corporate books are kept

Provide the Address of any other offices where other coporate books are kept if different from where the general corporate books are kept

S. Bradford Rives, Chief Financial Officer

220 West Main Street

Louisville

KY

40202

General Information (2,3,4) (Ref Page: 101)

[REDACTED]

Provide the name of the State under the laws which respondent is incorporated and date

if incorporated under a special law give reference to such law

If not Incorporated state that fact and give the type of organization and the date organized

Kentucky - July 2, 1913

If at any time during the year the property of respondent was held by a receiver or trustee

give (a) the name of receiver or trustee

(b) date such receiver or trustee took possession

(c) the authority by which the receivership or trusteeship was created and

(d) date when possession by receiver or trustee ceased.

Not Applicable

State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Respondent furnishes electric and gas services in the City of Louisville and adjacent territory in Kentucky

General Information - (5) (Ref Page: 101)



Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal account for the previous years certified financial statements?

Enter Y for Yes or N for No

N

If yes, Enter the date when such independent accountant was initially engaged

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Corporations Controlled by Respondent (Ref Page: 103)

Name of Company (a)	Code (b)	Business (c)	Percent Voting Stock (d)
			0.00000000

Not Applicable

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Security Holders and Voting Powers - Part 1 (Ref Page: 107)



1. Give date of the latest closing of the stock book prior to end of the year, and state the purpose of such closing: Stock books not closed during the year.

2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors or the respondent and the number of such votes cast by proxy

Total:

21,294,223

By Proxy

21,294,223

3. Give the date and place of such a meeting

03/18/2008

Louisville, KY

Voting Securities

Number of votes as of Date:

21,294,223

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 Security Holders and Voting Powers - Part 2 (Ref Page: 107)

Name	Address	Total Votes	Common Stock	Preferred Stock	Other
		21,294,223	21,294,223	0	0
4. Total votes of all voting securities					
5. Total number of all security holders		1	1	0	0
6. Total Votes of Security Holders listed below					
E.ON U.S. LLC (formerly LG&E Energy LLC)	Louisville, KY	21,294,223	21,294,223	0	0

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Important Changes During the Year (Ref Page: 108)

Explicit

Give particulars concerning the matters indicated below.

1. Changes in and important additions to franchise rights.	None
2. Acquisition of ownership in other companies by reorganization, merger or consolidation with other companies:	None
3. Purchase or sale of an operating unit or system.	None
4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given assigned or surrendered:	None of a material nature.
5. Important extension or reduction of transmission or distribution system:	None of a material nature.
6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees.	The Company had obtained authorization from the SEC under the Public Utility Holding Company Act of 1935 (PUHCA 1935) SEC File No. 70-09985 for the issuance of short-term debt up to \$400 million through May 31, 2008. The Federal Power Act contained an exemption from FERC approval for securities issuances approved by the SEC under PUHCA 2005. In connection with the repeal of the PUHCA of 1935, the Company also received FERC authorization under the FPA Docket No. ES07-59-000 for up to \$400 million in short-term debt through November 30, 2009. The Company's money pool balance increased from \$78 million at December 31, 2007 to \$222 million at December 31, 2008. During the fourth quarter of 2008, the Company entered into a new \$50 million loan agreement with an affiliate which matures in 2015, as authorized by the Kentucky Public Service Commission in its October 21, 2008 Order in Case No. 2008-00428. See Notes to Financial Statements.
7. Changes in articles of incorporation or amendments to charter. Explain the nature and purpose of such changes or amendments.	None
8. State the estimated annual effect and nature of any important wage scale changes during the year.	During the year, routine wage increases became effective for union employees in accordance with a collective bargaining agreement. Non-union employees received routine wage increases in accordance with annual salary reviews and job rotations.
9. State briefly the status of any materially important legal proceedings pending at the end of the year and the results.	See Notes to Financial Statements.
10. Describe briefly any materially important transactions not disclosed elsewhere in this report in which an officer, director, or associated company was a party or had a material interest.	None.
11. Estimated increase or decrease in annual revenues caused by important rate changes.	None of a material nature.

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Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
1. UTILITY PLANT		
2. Utility Plant (101-106,114)	\$3,972,544,417.00	\$4,130,302,167.00
3. Construction Work in Progress (107)	\$344,441,784.00	\$374,023,200.00
4. TOTAL UTILITY PLANT	\$4,316,986,201.00	\$4,504,325,367.00
5. (Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115)	\$1,859,847,713.00	\$1,939,166,902.00
6. Net Utility Plant (Line 4 less Line 5)	\$2,457,138,488.00	\$2,565,158,465.00
7. Nuclear Fuel (120.1-120.4,120.6)	\$0.00	\$0.00
8. (Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)	\$0.00	\$0.00
9. Nuclear Fuel (Line 7 less Line 8)	\$0.00	\$0.00
10. Net Utility Plant (Enter Total of Line 6 and Line 9)	\$2,457,138,488.00	\$2,565,158,465.00
11. Utility Plant Adjustments (116)	\$0.00	\$0.00
12. Gas Stored-Base Gas (117.1)	\$2,139,990.00	\$2,139,990.00
13. System Balancing Gas (117.2)	\$0.00	\$0.00
14. Gas Stored Underground - Non-Current (117.3)	\$0.00	\$0.00
15. Gas Owned to System Gas (117.4)	\$0.00	\$0.00
16. OTHER PROPERTY AND INVESTMENTS		
17. Nonutility Property (121)	\$75,240.00	\$75,240.00
18. (Less) Accum. Prov. for Depr and Amort. (122)	\$63,360.00	\$63,360.00
19. Investment in Associated Companies (123)	\$0.00	\$0.00
20. Investments in Subsidiary Companies (123.1)	\$0.00	\$0.00
21.		
22. Noncurrent Portion of Allowances	\$0.00	\$0.00
23. Other Investments (124)	\$594,286.00	\$594,286.00
24. Special Funds (125-128)	\$25,874,231.00	\$21,965,162.00
25. TOTAL Other Property and Investments	\$26,480,397.00	\$22,571,328.00
26. CURRENT AND ACCRUED ASSETS		
27. Cash (131)	\$4,312,502.00	\$4,311,461.00

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Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Sheet	Balance Sheet
28. Special Deposits (132-134)	\$6,919,973.00	\$2,405,086.00
29. Working Fund (135)	\$21,280.00	\$21,280.00
30. Temporary Cash Investments (136)	\$35,917.00	\$27.00
31. Notes Receivable (141)	\$0.00	\$0.00
32. Customer Accounts Receivable (142)	\$66,948,965.00	\$107,862,536.00
33. Other Accounts Receivable (143)	\$28,610,091.00	\$22,964,043.00
34. (Less) Accum. Prov. for Uncollectible Acct. Credit (144)	\$1,790,471.00	\$1,874,661.00
35. Notes Receivable from Associated Companies (145)	\$0.00	\$0.00
6. Accounts Receivable from Assoc. Companies (146)	\$32,982.00	\$1,391,252.00
37. Fuel Stock (151)	\$45,925,807.00	\$50,500,486.00
38. Fuel Stock Expenses Undistributed (152)	\$0.00	\$0.00
39. Residuals (Elec) and Extracted Products (153)	\$0.00	\$0.00
40. Plant Materials and Operating Supplies (154)	\$26,407,267.00	\$28,032,517.00
41. Merchandise (155)	\$0.00	\$0.00
42. Other Materials and Supplies (156)	\$0.00	\$0.00
43. Nuclear Materials Held for Sale (157)	\$0.00	\$0.00
44. Allowances (158.1 and 158.2)	\$11,459.00	\$5,960.00
45. (Less) Noncurrent Portion of Allowances	\$0.00	\$0.00
46. Stores Expense Undistributed (163)	\$4,584,570.00	\$4,196,809.00
47. Gas Stored Undergrounds - Current (164.1)	\$81,186,407.00	\$112,152,403.00
48. Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	\$0.00	\$0.00
49. Prepayments (165)	\$5,339,357.00	\$5,516,939.00
50. Advances for Gas (166-167)	\$0.00	\$0.00
51. Interest and Dividends Receivable (171)	\$220,496.00	\$220,253.00
52. Rents Receivable (172)	\$435,309.00	\$12,000.00
53. Accrued Utility Revenues (173)	\$64,669,000.00	\$73,103,000.00

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Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Sheet (110)	Balance Sheet (110)
54. Miscellaneous Current and Accrued Assets (174)	\$3,834.00	\$0.00
54.a Derivative Instrument Assets (175)	\$537,979.00	\$1,261,246.00
54.b Derivative Instrument Assets - Hedges (176)	\$0.00	\$0.00
55. TOTAL Current and Accrued Assets (Lines 27 - 54.b)	\$364,614,724.00	\$412,082,609.00
56. DEFERRED DEBITS		
57. Unamortized Debt Expenses (181)	\$9,898,130.00	\$4,014,238.00
58. Extraordinary Property Losses (181.1)	\$0.00	\$0.00
59. Unrecovered Plant and Regulatory Study Costs (182.2)	\$0.00	\$0.00
60. Other Regulatory Assets (182.3)	\$151,022,049.00	\$317,239,677.00
61. Prelim. Survey and Investigation Charges (Electric) (183)	\$354,463.00	\$521,436.00
62. Prelim. Sur. and Invest. Charges (Gas) (183.1, 183.2)	\$0.00	\$0.00
63. Clearing Accounts (184)	\$499,108.00	\$2,017,950.00
64. Temporary Facilities (185)	\$0.00	\$0.00
65. Miscellaneous Deferred Debits (186)	\$34,320,956.00	\$40,583,134.00
66. Def. Losses from Disposition of Utility Plt. (187)	\$0.00	\$0.00
67. Research, Devel. and Demonstration Expend. (188)	\$0.00	\$0.00
68. Unamortized Loss on Reacquired Debt (189)	\$19,100,231.00	\$24,212,029.00
69. Accumulated Deferred Income Taxes (190)	\$52,162,134.00	\$64,982,202.00
70. Unrecovered Purchased Gas Costs (191)	\$0.00	\$0.00
71. TOTAL Deferred Debits (Lines 57-70)	\$267,337,071.00	\$453,570,666.00
72. Total Assets and other Debits (Total Lines 10-15, 22, 55, 71)	\$3,117,760,670.00	\$3,455,523,058.00

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Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
1. PROPRIETARY CAPITAL		
2. Common Stock Issued (201)	\$425,170,424.00	\$425,170,424.00
3. Preferred Stock Issued (204)	\$0.00	\$0.00
4. Capital Stock Subscribed (202,205)	\$0.00	\$0.00
5. Stock Liability for Conversion (203,206)	\$0.00	\$0.00
6. Premium on Capital Stock (207)	\$0.00	\$0.00
7. Other Paid-in Capital Stock (208-211)	\$60,000,000.00	\$63,530,392.00
8. Installments Received on Capital Stock (212)	\$0.00	\$0.00
9. (Less) Discount on Capital Stock (213)	\$0.00	\$0.00
10. (Less) Capital Stock Expense (214)	\$835,889.00	\$835,889.00
11. Retained Earnings (215,215.1,216)	\$689,961,390.00	\$740,161,671.00
12. Unappropriated Undistributed Subsidiary Earnings (216.1)	\$0.00	\$0.00
13. (Less) Reacquired Capital Stock (217)	\$0.00	\$0.00
14. Accumulated Other Comprehensive Income (219)	(\$13,132,184.00)	(\$13,565,683.00)
15. TOTAL Proprietary Capital	\$1,161,163,741.00	\$1,234,460,915.00
16. LONG-TERM DEBT		
17. Bonds (221)	\$574,304,000.00	\$574,304,000.00
18. (Less) Reacquired Bonds (222)	\$0.00	(\$163,200,000.00)
19. Advances from Associated Companies (223)	\$410,000,000.00	\$485,000,000.00
20. Other Long-Term Debt (224)	\$0.00	\$0.00
21. Unamortized Premium on Long-Term Debt (225)	\$0.00	\$0.00
22. (Less) Unamortized Discount on Long-Term Debt (226)	\$0.00	\$0.00
23. (Less) Current Portion of Long Term Debt	\$0.00	\$0.00
24. TOTAL Long Term Debt	\$984,304,000.00	\$896,104,000.00
25. OTHER NONCURRENT LIABILITIES		
26. Obligations Under Capital Leases-NonCurrent (227)	\$23,649.00	\$0.00
27. Accumulated Provision for Property Insurance (228.1)	\$0.00	\$0.00

Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
28. Accumulated Provision for Injuries and Damages (228.2)	\$5,601,154.00	\$5,189,075.00
29. Accumulated Provision for Pensions and Benefits (228.3)	\$97,643,181.00	\$228,785,290.00
30. Accumulated Miscellaneous Operating Provisions (228.4)	\$0.00	\$0.00
31. Accumulated Provision for Rate Refunds (229)	\$0.00	\$0.00
32. Asset Retirement Obligations (230)	\$29,582,676.00	\$32,749,572.00
33. TOTAL OTHER Noncurrent Liabilities	\$132,850,660.00	\$266,723,937.00
34. CURRENT AND ACCRUED LIABILITIES		
35. Current Portion of Long-Term Debt	\$0.00	\$0.00
36. Notes Payable (231)	\$0.00	\$0.00
37. Accounts Payable (232)	\$115,160,770.00	\$114,427,403.00
38. Notes Payable to Associated Companies (233)	\$78,241,200.00	\$221,999,200.00
39. Account Payable to Associated Companies (234)	\$56,768,214.00	\$37,958,365.00
40. Customer Deposits (235)	\$19,373,313.00	\$21,644,189.00
41. Taxes Accrued (236)	\$4,749,662.00	\$18,981,745.00
42. Interest Accrued (237)	\$1,981,717.00	\$2,737,649.00
43. Dividends Declared (238)	\$0.00	\$0.00
44. Matured Long-Term Debt (239)	\$0.00	\$0.00
45. Matured Interests (240)	\$0.00	\$0.00
46. Tax Collections Payable (241)	\$1,446,316.00	\$1,605,237.00
47. Miscellaneous current and Accrued Liabilities (242)	\$11,357,668.00	\$12,127,743.00
48. Obligations Under Capital Leases - Current (243)	\$405,438.00	\$23,650.00
49. Derivative Instrument Liabilities (244)	\$152,956.00	\$30,773,669.00
50. Derivative Instrument Liabilities - Hedges (245)	\$0.00	\$24,488,280.00
51. TOTAL Current and Accrued Liabilities	\$289,634,454.00	\$486,167,130.00
52. DEFERRED CREDITS		
53. Customer Advances for Construction (252)	\$9,612,516.00	\$10,907,431.00
54. Accumulated Deferred Investment Tax Credits (255)	\$46,098,962.00	\$50,349,070.00

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Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning Year	Balance End of Year
55. Deferred Gains from Disposition of Utility Plant (256)	\$0.00	\$0.00
56. Other Deferred Credits (253)	\$40,862,253.00	\$43,652,016.00
57. Other Regulatory Liabilities (254)	\$55,115,538.00	\$56,266,231.00
58. Unamortized gain on Recquired Debt (257)	\$0.00	\$0.00
59. Accumulated Deferred Income Taxes (281-283)	\$398,118,546.00	\$410,892,328.00
60. TOTAL Deferred Credits	\$549,807,815.00	\$572,067,076.00
61. TOTAL Liabilities and Other Credits (Total Lines 15,24,33,51 and 60)	\$3,117,760,670.00	\$3,455,523,058.00

Note:

Line 49:

During 2008, long-term interest rate swap hedges became ineffective and were reclassified from account 245 to account 244.

Line 50:

During 2008, long-term interest rate swap hedges were reclassified from account 253 to account 245.

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Statement of Income for the Year (Ref Page: 114)

	Total (A)	Total - Brandywine	Electric (B)	Gas (C)	Other (D)
1..UTILITY OPERATING INCOME					
2. Gas Operating Revenues (400)	\$1,473,319,433.00	\$1,285,137,296.00	\$1,014,954,340.00	\$458,365,093.00	\$0.00
3. Operating Expenses					
4. Operation Expenses (401)	\$1,009,662,690.00	\$826,345,485.00	\$617,221,895.00	\$392,440,795.00	\$0.00
5. Maintenance Expenses (402)	\$94,525,845.00	\$82,541,993.00	\$77,660,813.00	\$16,865,032.00	\$0.00
6. Depreciation Expense (403)	\$121,162,949.00	\$119,425,164.00	\$103,022,617.00	\$18,140,332.00	\$0.00
7. Depreciation Expense for Asset Retirement Costs (403.1)	\$188,955.00	\$147,902.00	\$179,897.00	\$9,068.00	\$0.00
8. Amort and Depl of Utility Plant (404-405)	\$5,880,401.00	\$6,199,962.00	\$4,551,497.00	\$1,528,504.00	\$0.00
9. Amort of Utility Plant Acq. Adj (406)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Amort of Property Losses Unrecovered Plant and Regulatory Study Costs (407.1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
11. Amort. of Conversion Expenses (407.2)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
12. Regulatory Debits (407.3)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. (Less) Regulatory Credits (407.4)	\$2,066,612.00	\$1,940,744.00	\$1,614,369.00	\$452,243.00	\$0.00
14. Taxes Other than Income Taxes (408.1)	\$23,957,072.00	\$21,896,663.00	\$18,280,583.00	\$5,676,489.00	\$0.00
15. Income Taxes - Federal (409.1)	\$40,043,410.00	\$34,624,585.00	\$32,762,857.00	\$7,280,553.00	\$0.00
16. Income Taxes - Other (409.1)	\$4,282,425.00	\$7,620,509.00	\$2,622,685.00	\$1,659,740.00	\$0.00

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Statement of Income for the Year (Ref Page: 114)

	Total (b)	100% Price (p)	Electric (e)	Gas (g)	Other (o)
17. Provision for Deferred Income Taxes (410.1)	\$53,068,787.00	\$39,299,707.00	\$41,913,482.00	\$11,155,305.00	\$0.00
18. (Less) Provision for Deferred Income Taxes (411.1)	\$57,827,400.00	\$28,323,682.00	\$42,809,219.00	\$15,016,181.00	\$0.00
19. Investment Tax Credit Adj. - Net (411.4)	\$4,250,108.00	\$5,028,725.00	\$4,408,962.00	(\$158,854.00)	\$0.00
20. (Less) Gains from Disp. of Utility Plant (411.6)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
21. Losses from Disp. of Utility Plant (411.7)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22. (Less) Gains from Disposition of Allowances (411.8)	\$456,255.00	\$553,093.00	\$456,255.00	\$0.00	\$0.00
23. Losses from Disposition of Allowances (411.9)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
24. Accretion Expense (411.10)	\$1,889,560.00	\$1,780,917.00	\$1,446,471.00	\$443,089.00	\$0.00
25. Total Utility Operating Expenses (Enter Total of Lines 4 - 22)	\$1,298,561,935.00	\$1,114,094,093.00	\$858,991,906.00	\$439,570,029.00	\$0.00
26. Net Utility Operating Income (Line 2 less line 23 - Carry forward to pg 117 line 25)	\$174,757,498.00	\$171,043,203.00	\$155,962,434.00	\$18,795,064.00	\$0.00

Statement of Income (continued) (Ref Page: 116)

	Current Year	Previous Year
27. Net Utility Operating Income (Carried from pg 114)	\$174,757,498.00	\$171,043,203.00
28. Other Income and Deductions		
29. Other Income		
30. Nonutility Operating Income		
31. Revenues From Merchandising, Jobbing and Contract Work (415)	\$7,999.00	(\$225.00)
32. (Less) Costs and Exp. of Merchandising Job. and Contract Work (416)	\$19,746.00	\$29,494.00
33. Revenues From Nonutility Operations (417)	\$1,555,144.00	\$1,555,185.00
34. (Less) Expenses of Nonutility Operations (417.1)	\$0.00	\$0.00
35. Nonoperating Rental Income (418)	\$0.00	\$0.00
36. Equity in Earnings of Subsidiary Companies (418.1)	\$0.00	\$0.00
37. Interest and Dividend Income (419)	\$1,811,414.00	\$1,391,693.00
38. Allowance for Other Funds Used During Construction (419.1)	\$0.00	\$0.00
39. Miscellaneous Nonoperating Income (421)	\$864,960.00	\$366,121.00
40. Gain on Disposition of Property (421.1)	\$8,757,465.00	\$459,946.00
41. TOTAL Other Income	\$12,977,236.00	\$3,743,228.00
42. Other Income Deductions		
43. Loss on Disposition of Property (421.2)	\$0.00	\$102,931.00
44. Miscellaneous Amortization (425)	\$0.00	\$0.00
45. Miscellaneous Income Deductions (426.1 - 426.5)	\$47,380,784.00	\$4,147,073.00
46. TOTAL Other Income Deductions	\$47,380,784.00	\$4,250,004.00
47. Taxes Applicable to Other Income and Deductions		
48. Taxes Other Than Income Taxes (408.2)	\$1,815.00	\$1,444.00
49. Income Taxes - Federal (409.2)	(\$2,606,715.00)	(\$554,282.00)
50. Income Taxes - Other (409.2)	(\$479,336.00)	(\$125,334.00)
51. Provision for Deferred Inc. Taxes (410.2)	\$172,873.00	\$986,199.00

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Statement of Income (continued) (Ref Page: 116)

	Current Year	Previous Year
52. (Less) Provision for Deferred Income Taxes CR (411.2)	\$273,424.00	\$9,972.00
53. Investment Tax Credit Adj. - Net (411.5)	\$0.00	\$0.00
54. (Less) Investment Tax Credits (420)	\$0.00	\$0.00
55. TOTAL Taxes on Other Income and Deduct	(\$3,184,787.00)	\$298,055.00
56. Net Other Income and Deductions (Lines 39,44,53)	(\$31,218,761.00)	(\$804,831.00)
57. Interest Charges		
58. Interest on Long Term Debt (427)	\$20,237,321.00	\$27,325,819.00
59. Amort of Debt Disc. and Expense (428)	\$279,654.00	\$401,067.00
60. Amortization of Loss on Reacquired Debt (428.1)	\$1,305,972.00	\$1,035,406.00
61. (Less) Amort. of Premium on Debt - CR (429)	\$0.00	\$0.00
62. (Less) Amortization of Gain on Reacquired Debt - CR (429.1)	\$0.00	\$0.00
63. Interest on Debt to Assoc. Companies (430)	\$29,104,126.00	\$21,171,199.00
64. Other Interest Expense (431)	\$2,411,383.00	(\$78,484.00)
65. (Less) Allowance for Borrowed Funds Used During Construction CR (432)	\$0.00	\$0.00
66. Net Interest Charges	\$53,338,456.00	\$49,855,007.00
67. Income Before Extraordinary Items (Lines 25,54 and 64)	\$90,200,281.00	\$120,383,365.00
68. Extraordinary Items		
69. Extraordinary Income (434)	\$0.00	\$0.00
70. (Less) Extraordinary Deductions (435)	\$0.00	\$0.00
71. Net Extraordinary Items (Lines 67 less 68)	\$0.00	\$0.00
72. Income Taxes - Federal and Other (409.3)	\$0.00	\$0.00
73. Extraordinary Items After Taxes (Lines 69 less 70)	\$0.00	\$0.00
74. Net Income (Lines 67 and 73)	\$90,200,281.00	\$120,383,365.00

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Statement of Income (continued) (Ref Page: 116) - NOTES

Note:

Line 45:

Miscellaneous Income Deductions increased \$43,233,711 primarily due to interest rate swap mark-to-market activity.

Line 64:

Other Interest Expense was credited to adjust an interest accrual related to a 2002 amended tax return.

Statement of Retained Earnings for the Year (Ref Page: 118)

	Acct (a)	Acct (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS			
(216)			
State balance and purpose of each appropriated retained earnings amount at end of year and			
1. Balance - Beginning of the Year			\$689,961,390.00
Changes (Identify by prescribed retained earnings accounts)			
give accounting entries for any applications of appropriated retained earnings during the year.			
Adjustments to Retained Earnings (439)			
Credit:			
4. TOTAL Credits to Retained Earnings (439)			
Debit:			
5. TOTAL Debits to Retained Earnings (438)			\$0.00
6. Balance Transferred from Income (433 less 418.1)			\$90,200,281.00
Appropriations of Retained Earnings (436)			
8. TOTAL appropriations of Retained Earnings (436)			
Dividends Declared - Preferred stock (437)			
10. TOTAL Dividends Declared - Preferred Stock (437)			
Dividends Declared - Common Stock (438)			
Without Par Value			
12. TOTAL Dividends Declared - Common Stock (438)			(\$40,000,000.00)
13. Transfers from Acct 216.1, Unappropriated Undistributed Subsidiary Earnings			
			(\$40,000,000.00)

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Statement of Retained Earnings for the Year (Ref Page: 118)

	(Amt) (a)	(Amt) (b)	(Amt) (c)
14. Balance End of Year (Total Lines 1,4,5,6,8,10,12,13)			\$740,161,671.00
APPROPRIATED RETAINED EARNINGS (215)			
(215)			
16. TOTAL Appropriated Retained Earnings (215)			
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL			
17. TOTAL Appropriated Retained Earnings - Amortization Reserve - Federal (215.1)			
18. TOTAL Appropriated Retained Earnings (total lines 16 and 17) (214,215.1)			
19. TOTAL Retained Earnings (Lines 14 and 18) (215,215.1, 216)			\$740,161,671.00
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1)			
20. Balance - Beginning of Year (Debit or Credit)			
21. Equity in Earnings for Year (Credit) (418.1)			
22. (Less) Dividends Received (Debit)			
23. Other Charges (explain)			
24. Balance - End of Year			

Statement of Cash Flows (Ref Page: 120)

Description	Amount
1. Net Cash Flow From Operating Activities:	
2. Net Income (Line 72.c on page 117)	\$90,200,281.00
3. Noncash Charges (Credits) to Income:	
4. Depreciation and Depletion	\$121,351,904.00
Amortization of (Specify)	
5. Plant	\$5,880,401.00
6. Deferred Income Taxes (Net)	(\$4,758,612.00)
7. Investment Tax Credit Adjustment (Net)	\$4,250,108.00
8. Net (Increase) Decrease in Receivables	(\$7,603,880.00)
9. Net (Increase) Decrease in Inventory	(\$36,776,166.00)
10. Net (Increase) Decrease in Allowances Inventory	\$5,499.00
11. Net Increase (Decrease) in Payables and Accrued Expenses	\$10,304,951.00
12. Net (Increase) Decrease in Other Regulatory Assets	(\$166,217,628.00)
13. Net Increase (Decrease) in Other Regulatory Liabilities	\$1,150,693.00
14. (Less) Allowance for Other Funds Used During Construction	
15. (Less) Undistributed Earnings from Subsidiary Companies	
Other:	
16. Other	\$136,968,587.00
16. Change in Other Deferred Debits	(\$6,262,178.00)
16. Change in Other Deferred Credits	\$21,541,469.00
16. Gain on Disposal of Assets	(\$8,767,465.00)
17. Net Cash Provided by (Used in) Operating Activities (Total lines 2 thru 16)	\$161,278,264.00
Cash Flows from Investment Activities:	
21. Construction and Acquisition of Plant (Including Land):	
22. Gross Additions to Utility Plant (Less nuclear fuel)	(\$197,198,322.00)

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Statement of Cash Flows (Ref Page: 120)

Description	Amount
23. Gross Additions to Nuclear Fuel	
24. Gross Additions to Common Utility Plant	
25. Gross Additions to Nonutility Plant	(\$37,182,025.00)
26. (Less) Allowance for Other Funds Used During Construction	
Other	
27.	
Cash Outflows for Plant (Total lines 22-27)	(\$234,380,347.00)
30. Acquisition of Other Noncurrent Assets (d)	
31. Proceeds from Disposal of Noncurrent Assets (d)	\$9,125,685.00
32. Retirements of Property, Plant and Equipment	
33. Investments in and Advances to Assoc. and Subsidiary Companies	
34. Contributions and Advances from Assoc. and Subsidiary Companies	
35. Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
37. Purchase of Investment Securities (a)	
38. Proceeds from Sales of Investment Securities (a)	
40. Loans Made or Purchased	
41. Collections on Loans	
43. Net (Increase) Decrease in Receivables	
44. Net (Increase) Decrease in Inventory	
45. Net (Increase) Decrease in Allowances Held for Speculation	
46. Net Increase (Decrease) in Payables and Accrued Expenses	
Other:	
47.	
Change in Restricted Cash	(\$297,009.00)
Change in LT Non-Hedging Derivative Liability	\$29,897,446.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Statement of Cash Flows (Ref Page: 120)

	Description	Amounts
4B.	Net Cash Provided by (used in) Investing Activities (Lines 2B-47)	(\$195,654,225.00)
	Cash Flows from Financing Activities:	
52.	Proceeds from Issuance of:	
53.	Long - Term Debt (b)	\$74,186,467.00
54.	Preferred Stock	
55.	Common Stock	
	Other	
56.	Net Change in Short-Term Capital Lease Obligations	(\$381,788.00)
57.	Net Increase in Short-Term Debt (c)	\$143,758,000.00
	Other	
58.	Net Change in Long-Term Capital Lease Obligations	(\$23,649.00)
58.	Proceeds from Reissuance of Reacquired LT Debt (b)	\$96,000,000.00
59.	Cash Provided by Outside Sources (Total lines 53-58)	\$313,539,030.00
61.	Payments for Retirement of	
62.	Long-Term Debt (b)	
63.	Preferred Stock	
64.	Common Stock	
	Other	
65.	Payments for Reacquisition of Long-Term Debt (b)	(\$259,200,000.00)
65.	Change in Contributed Capital	\$20,000,000.00
66.	Net Decrease in Short-Term Debt (c)	
68.	Dividends on Preferred Stock	
69.	Dividends on Common Stock	
70.	Net Cash Provided by (used in) Financing Activities (Lines 59-69)	(\$40,000,000.00)
	Net Increase (Decrease) in Cash and Cash Equivalents (Total Lines 18,48,71)	\$34,339,030.00
		(\$36,931.00)

Statement of Cash Flows (Ref Page: 120)

Description	Amount
Cash and Cash Equivalents at Beginning of Year	\$4,348,419.00
Cash and Cash Equivalents at End of Year	\$4,311,488.00

Note:

Line 16 Other -

Other operating cash flows:

- \$ 610,155 Depreciation charged to balance sheet accounts
- (8,248,249) Other changes in Net Utility Plant
- 1,585,626 Amortization of Debt Expenses and Loss on Bonds
- (177,582) Net increase in Prepayments
- 3,834 Net decrease in Land Options
- (136,973) Net increase in Preliminary Survey
- (1,518,842) Net increase in Clearing Accounts
- (433,499) Net decrease in Other Comprehensive Income
- (641,629) Net decrease in Customer Advances for Construction
- 3,166,896 Net increase in Asset Retirement Obligations
- 131,142,109 Net increase in Provision for Postretirement Benfs.
- (10,243,134) Net increase in Collateral for Interest Rate Swaps
- 14,152,203 Net decrease in Prepaid Pension
- 2,995,344 Net increase in Derivative Liab.
- 4,712,326 Deferred income taxes charged to balance sheet acct

2 Rounding

\$136,968,587 Total

Line 31 Proceeds from Disposal of Noncurrent Assets -

Proceeds from the sale of land

Cash and Cash Equivalents at End of Year -
Cash and cash equivalents is comprised of the following amounts:

\$ 4,311,461 Cash (Acct 131)

27 Temporary Cash Investments (Acct 136)

\$ 4,311,488 Total Cash and Cash Equivalents at End of Period

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Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	(b)	(c)	(d)	(e)	(f)
	Total	Electric	Other	Total	Gas
Utility Plant					
In Service					
3. Plant in Service (Classified)	\$4,011,914,792.00	\$3,266,670,690.00	\$558,111,051.00	\$0.00	\$187,133,051.00
4. Property under Capital Leases	\$2,876,958.00	\$2,876,958.00	\$0.00	\$0.00	\$0.00
5. Plant Purchased or Sold					
6. Completed Construction not Classified	\$110,678,843.00	\$68,463,371.00	\$38,917,925.00	\$0.00	\$3,297,547.00
7. Experimental Plant Unclassified					
8. Total - Utility Plant (Lines 3-7)	\$4,125,470,593.00	\$3,338,011,019.00	\$597,028,976.00	\$0.00	\$190,430,598.00
9. Leased to Others					
10. Held for Future Use	\$4,831,574.00	\$4,831,574.00	\$0.00	\$0.00	\$0.00
11. Construction Work in Progress	\$374,023,200.00	\$289,074,514.00	\$53,271,644.00	\$0.00	\$51,677,042.00
12. Acquisition Adjustments					
13. Total Utility Plant (Lines 8 - 12)	\$4,504,325,367.00	\$3,611,917,107.00	\$650,300,620.00	\$0.00	\$242,107,640.00
14. Accum. Prov. for Depr. Amort. And Depl.	\$1,939,166,902.00	\$1,618,965,620.00	\$219,391,427.00	\$0.00	\$100,809,855.00
15. Net Utility Plant (Line 13 less 14)	\$2,565,158,465.00	\$1,992,951,487.00	\$430,909,193.00	\$0.00	\$141,297,785.00
16. Detail of Accumulated Provisions for Depreciation Amortization and Depletion					
17. In Service					
18. Depreciation	\$1,915,732,871.00	\$1,616,965,520.00	\$219,390,627.00	\$0.00	\$77,376,724.00
19. Amort. and Depl. of Production Natural Gas Land and Land Rights					

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Common (e)
20. Amort of Underground Storage Land and Land Rights	\$800.00	\$0.00	\$800.00	\$0.00
21. Amort of Other Utility Plant	\$23,433,231.00	\$100.00	\$0.00	\$23,433,131.00
22. Total in Service (Lines 18-21)	\$1,939,166,902.00	\$1,618,965,620.00	\$219,391,427.00	\$100,809,855.00
23. Leased to Others				
24. Depreciation				
25. Amortization and Depletion				
26. Total Leased to Others (Lines 24 and 25)				
27. Held for Future Use				
28. Depreciation				
29. Amortization				
30. Total Held for Future Use (Lines 28 and 29)				
31. Abandonment of Leases (Natural Gas)				
32. Amort. Of Plant Aquisition Adj.				
33. Total Accumulated Provisions (Should agree with Line 14, Total 22,26,30,31 and 32)	\$1,939,166,902.00	\$1,618,965,620.00	\$219,391,427.00	\$100,809,855.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008
 Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Balance (A)	Additions (C)	Retirements (D)	Adjustments (E)	Transfers (F)	Balance (G)
INTANGIBLE PLANT						
2. Organization (301)	\$1,187.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Franchises and Consents (302)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,187.00
4. Miscellaneous Intangible Plant (303)						
5. Total Intangible Plant	\$1,187.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,187.00
PRODUCTION PLANT						
7. Natural Gas Production and Gathering Plant						
8. Producing Lands (325.1)						
9. Producing Leaseholds (325.2)						
10. Gas Rights (325.3)						
11. Rights of Way (325.4)						
12. Other Land and Land Rights (325.5)						
13. Gas Well Structures (326)						
14. Field Compressor Station Structures (327)						
15. Field Measuring and Regulating Station Equipment (328)						
16. Other Structures (329)						
17. Producing Gas Wells - Well Construction (330)						
18. Producing Gas Wells - Well Equipment (331)						
19. Field Lines (332)						

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008
 Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

Full Equipment (b) Addition (b) Retirement (a) Additions (b) Balance YTD (a)

20. Field Compressor Station Equipment (333)

21. Field Measuring and Regulating Station Equipment (334)

22. Drilling and Cleaning Equipment (335)

23. Purification Equipment (336)

24. Other Equipment (337)

25. Unsuccessful Exploration and Development Costs (338)

26. Asset Retirement Costs for Natural Gas Production and Gathering Plant (339)

27. Total Production and Gathering Plant

28. PRODUCTS EXTRACTION PLANT

29. Land and Land Rights (340)

30. Structures and Improvements (341)

31. Extraction and Refining Equipment (342)

32. Pipe Lines (343)

33. Extracted Products Storage Equipment (344)

34. Compressor Equipment (345)

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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008
Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

Balance	(a)	Additions	(b)	Retirements	(c)	Transfers	(d)	Balance	(e)
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35. Gas Measuring and
Regulating Equipment
(346)

36. Other Equipment
(347)

37. Asset Retirement
Costs for Products
Extraction Plant (348)

38. Total Products
Extraction Plant

39. Total Natural Gas
Production Plant (Lines 27
and 38)

40. Manufactured Gas
Production Plant

41. Total Production Plant
(Lines 39 and 40)

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Plant in Service - Storage and Processing (Ref Page: 206)

	Salvage (b)	Addition (c)	Retirement (d)	Adjustment (e)	Transfer (f)	Balance (g)
NATURAL GAS STORAGE AND PROCESSING PLANT						
Underground Storage Plant						
44. Land (350.1)	\$32,865.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,865.00
45. Rights-of-Way (350.2)	\$63,678.00	\$0.00	\$0.00	\$0.00	\$0.00	\$63,678.00
46. Structures and Improvements (351)	\$3,009,031.00	\$122,062.00	\$3,503.00	\$0.00	\$0.00	\$3,127,590.00
47. Wells (352)	\$8,765,659.00	\$479,112.00	\$0.00	\$0.00	\$0.00	\$9,244,771.00
48. Storage Leaseholds and Rights (352.1)	\$548,241.00	\$0.00	\$0.00	\$0.00	\$0.00	\$548,241.00
49. Reservoirs (352.2)	\$400,511.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400,511.00
50. Non-recoverable Natural Gas (352.3)	\$9,648,855.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,648,855.00
51. Lines (353)	\$12,768,804.00	\$72,563.00	\$0.00	\$0.00	\$0.00	\$12,841,367.00
52. Compressor Station Equipment (354)	\$15,120,620.00	\$613,137.00	\$0.00	\$0.00	\$0.00	\$15,733,757.00
53. Measuring and Regulating Equipment (355)	\$387,810.00	\$187,082.00	\$0.00	\$0.00	\$0.00	\$574,892.00
54. Purification Equipment (356)	\$9,933,659.00	\$2,087.00	\$0.00	\$0.00	\$0.00	\$9,935,746.00
55. Other Equipment (357)	\$1,033,211.00	\$34,602.00	\$463.00	\$0.00	\$0.00	\$1,067,350.00
56. Asset Retirement Costs for Underground Storage Plant (358)	\$541,132.00	\$0.00	\$0.00	\$0.00	\$0.00	\$541,132.00
57. Total Underground Storage Plant	\$62,254,076.00	\$1,510,645.00	\$3,966.00	\$0.00	\$0.00	\$63,760,755.00
Other Storage Plant						

Gas Plant in Service - Storage and Processing (Ref Page: 206)

	Ball Bearings (b)	Additions (c)	Retirements (d)	Transfers (f)	Balance (a)(g)
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59. Land and Land Rights (360)					
60. Structures and Improvements (361)					
61. Gas Holders (362)					
62. Purification Equipment (363)					
63. Liquefaction Equipment (363.1)					
64. Vaporizing Equipment (363.2)					
65. Compressor Equipment (363.3)					
66. Measuring and Regulating equipment (363.4)					
67. Other Equipment (363.5)					
68. Asset Retirement Costs for Other Storage Plant (363.6)					
69. Total Other storage Plant					
70. Base Load Liquefied natural Gas Terminating and Processing Plant					
71. Land and Land Rights (364.1)					
72. Structures and Improvements (364.2)					
73. LNG Processing Terminal Equipments (364.3)					

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Gas Plant in Service - Storage and Processing (Ref Page: 206)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Balance	Addition	Retirements	Adjustments	Transfer				
74. LNG Transportation Equipment (364.4)									
75. Measuring and Regulating Equipment (364.5)									
76. Compressor Station Equipment (364.6)									
77. Communications Equipment (364.7)									
78. Other Equipment (364.8)									
79. Asset Retirement Costs for Base Load Liquefied Natural Gas Terminaling and Processing Plant (364.9)									
80. Total Base Load Liquefied Nat'l Gas, Terminal and Processing Plant									
76. Total Nat'l Gas Storage and Processing Plant (57.69.80)	\$62,254,076.00	\$1,510,645.00	\$3,966.00	\$0.00	\$0.00	\$63,760,755.00			

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Balance (a)	Additions (b)	Retirements (c)	Adjustments (e)	Transfers (f)	Balance (g)
TRANSMISSION PLANT						
83. Land and Land Rights (365.1)		\$220,660.00	\$0.00	\$0.00	\$0.00	\$220,660.00
84. Rights-of-Way (365.2)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
85. Structures and Improvements (366)						
86. Mains (367)		\$12,681,248.00	\$0.00	\$0.00	\$0.00	\$12,681,248.00
87. Compressor Station Equipment (368)						
88. Measuring and Regulating Station Equipment (369)						
89. Communication Equipment (370)						
90. Other Equipment (371)						
91. Asset Retirement Costs for Transmission Plant (372)						
92. Total Transmission Plant		\$12,901,908.00	\$0.00	\$0.00	\$0.00	\$12,901,908.00
DISTRIBUTION PLANT ()						
94. Land and Land Rights (374)		\$133,742.00	\$0.00	\$0.00	\$0.00	\$133,742.00
95. Structures and Improvements (375)		\$729,374.00	\$149,786.00	\$0.00	\$0.00	\$879,160.00
96. Mains (376)		\$273,201,306.00	\$28,696,274.00	\$1,384,155.00	\$0.00	\$300,513,425.00
97. Compressor Station Equipment (377)						
98. Measuring and Regulating Station Equipment - General (378)		\$8,050,799.00	\$305,971.00	\$13,377.00	\$0.00	\$8,343,393.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Salvage (b)	Addition (c)	Retirement (d)	Adjustments (e)	Transfers (f)	Balance (g)
99. Measuring and Regulating Station Equipment - City Gate (379)	\$3,864,491.00	\$81,610.00	\$9,891.00	\$0.00	\$0.00	\$3,936,210.00
100. Services (380)	\$136,316,787.00	\$16,268,119.00	\$0.00	\$0.00	\$0.00	\$152,584,907.00
101. Meters (381)	\$22,084,790.00	\$387,790.00	\$0.00	\$0.00	\$9,381,450.00	\$31,854,029.00
102. Meter Installations (382)	\$9,381,450.00	\$0.00	\$0.00	\$0.00	(\$9,381,450.00)	\$0.00
103. House Regulators (383)	\$4,941,391.00	\$2,999,902.00	\$402,567.00	\$0.00	\$5,298,053.00	\$12,836,779.00
104. House Regulator Installations (384)	\$5,298,053.00	\$0.00	\$0.00	\$0.00	(\$5,298,053.00)	\$0.00
105. Industrial Measuring and Regulating Station Equipment (385)	\$159,361.00	\$3,765.00	\$0.00	\$0.00	\$0.00	\$163,126.00
106. Other Property on Customers Premises (386)						
107. Other Equipment (387)	\$51,113.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,113.00
108. Asset Retirement Costs for Distribution Plant (388)	\$30,769.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,769.00
109. Total Distribution Plant	\$464,243,426.00	\$48,893,217.00	\$1,809,990.00	\$0.00	\$0.00	\$511,326,653.00
GENERAL PLANT						
111. Land and Land Rights (389)						
112. Structures and Improvements (390)						
113. Office Furniture and Equipment (391)						

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Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Balance (b)	Additional (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Balance (g)
114. Transportation Equipment (392)	\$2,383,893.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,383,893.00
115. Stores Equipment (393)						
116. Tools, Shop and garage Equipment (394)	\$3,744,953.00	\$5,377.00	\$0.00	\$0.00	\$0.00	\$3,750,330.00
117. Laboratory Equipment (395)	\$436,783.00	\$0.00	\$0.00	\$0.00	\$0.00	\$436,783.00
118. Power Operated Equipment (396)	\$2,467,467.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,467,467.00
119. Communication Equipment (397)						
120. Miscellaneous equipment (398)						
121. Subtotal (Lines 104-113)	\$9,033,096.00	\$5,377.00	\$0.00	\$0.00	\$0.00	\$9,038,473.00
122. Other Tangible Property (399)						
123. Asset Retirement Costs for General Plant (399.1)						
124. Total General Plant (Lines 121, 122 and 123)	\$9,033,096.00	\$5,377.00	\$0.00	\$0.00	\$0.00	\$9,038,473.00
125. Total Accounts 101 and 106	\$548,433,692.00	\$50,409,240.00	\$1,813,956.00	\$0.00	\$0.00	\$597,028,976.00
126. Gas Plant Purchased						
127. (Less) Gas Plant Sold						
128. Experimental Gas Plant Unclassified						
Total Gas Plant in Service (Lines 125-128)	\$548,433,692.00	\$50,409,240.00	\$1,813,956.00	\$0.00	\$0.00	\$597,028,976.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Property and Capacity Leased From Others (Ref Page: 212)

Name of Vendor	(b)	Description of Lease	Contract No.	Contract Date	Contract Term	Contract Value	Contract Type
Total						\$0.00	

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Gas Plant Held for Future Use (Acct 105) (Ref Page: 214)

Description	Balance (d)
Balance Forward	\$0.00
Balance Forward	\$0.00
Balance Forward	\$0.00
Balance Forward	\$0.00
TOTAL	\$0.00

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Construction Work in Progress - (Acct 107) (Ref Page: 216)

Project	Construction WIP (b)	Estimate
UNDERGROUND STORAGE	\$0.00	\$0.00
Doe Run Shale Gas Recovery System Expansion	\$2,317,912.00	\$7,377,820.00
Enhance Doe Run Shale Gas Recovery System	\$925,312.00	\$42,682.00
Muldraugh Gas Compressor Station	\$835,293.00	\$49,817.00
Muldraugh Engine Panel Upgrade Phase 1,2&3	\$821,651.00	\$291,054.00
Magnolia Gas Storage Replace #6 Engine Panel	\$750,521.00	\$198,873.00
Install Gate Valves on Gas Storage Wells	\$639,340.00	\$0.00
Muldraugh SPCC Compliance - Phase I	\$618,915.00	\$0.00
Underground Storage Projects Minor	\$5,171,332.00	\$604,852.00
0	\$0.00	\$0.00
TRANSMISSION	\$0.00	\$0.00
Otter Creek Exposure Project	\$742,717.00	\$17,283.00
Transmission Minor	\$1,765,947.00	\$1,400,575.00
0	\$0.00	\$0.00
DISTRIBUTION	\$0.00	\$0.00
Large Scale Main Replacement	\$12,473,946.00	\$0.00
New Business Subdivision UG	\$5,611,642.00	\$0.00
Farm Tap Regulator Upgrade	\$3,754,725.00	\$3,342,263.00
LGE Gas Meters	\$3,003,063.00	\$0.00
Public Works Gas	\$1,875,698.00	\$0.00
New Business Gas Service	\$1,253,101.00	\$0.00
Westport Road Gas Relocation	\$869,495.00	\$0.00
New Business Gas Service	\$824,819.00	\$0.00
Mill Creek Inst Measurement & Regulator Equipment	\$815,042.00	\$19,958.00
Priority Main Replacement	\$779,627.00	\$0.00
Purchase Regulators - Resid & Commer	\$746,464.00	\$0.00

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Construction Work in Progress - (Acct 107) (Ref Page: 216)

Project(s)	Construction WIE (b)	Estimate(s)
Old Henry Road Main Extension	\$608,551.00	\$0.00
Highway Relocations - GCSC	\$509,451.00	\$0.00
Distribution Minor	\$4,791,390.00	\$2,596,480.00
0	\$0.00	\$0.00
GENERAL PLANT	\$0.00	\$0.00
General Plant Minor	\$765,750.00	\$124,447.00
TOTAL	\$53,271,644.00	\$16,166,104.00

General Description of Construction Overhead Procedure - Components of Formula (Ref Page: 218)

Amount (b)	Cost Allocation Ratio (Percent) (c)	Cost Reproduction (d)

Please include all notes requested for construction overhead with the hard copy.

Uppercase Vars (S,D,P,C,W) fall under Amount (b) column 0

Lowercase Vars (s,d,p,c) fall under Cost Rate Percentage (d) column

1. Components of Formula (Derived from actual book balances and actual cost rates)

Average Short-Term Debt (Var S)

Short-Term Interest (Var s) 0

Long Term Debt (Vars D and d) \$0.00

Preferred Stock (Vars P and p) \$0.00

Common Equity (Vars C and c) \$0.00

Total Capitalization

Average Construction Work In Progress Balance (Var W) \$0.00

2. Gross Rate for Borrowed Funds (S/W) + d((D/(D+P+C))(1-(S/W)))

3. Rate for Other Funds [(1-(S/W))(p/(D+P+C)) + c(C/(D+P+C))]

4. Weighted Average Rate Actually Used for the Year

a. Rate for Borrowed Funds 0.0000

b. Rate for Other Funds 0.0000

General Description of Construction Overhead Procedure - Components of Formulats (Ref Page: 218) - NOTES

LOCAL ENGINEERING:

Salaries and expenses of Energy Services - Project Engineering Dept., Electric Service and Delivery Dept., and Gas Dept. personnel engaged in construction work, but not assignable to a particular work order ("WO"), are charged to engineering clearing WOs which have been set up in a clearing account for each dept. Examples of such charges are: work with the construction budget; cost of estimating; construction work; preparation of field reports; conferences on construction matters; general supervision of construction projects, etc.

Each month the costs accumulated in these clearing WOs are allocated to specific WOs coming under the direct supervision of the depts. The WOs are spread based on total direct cost of WOs.

The labor and expenses of engineers and foremen who are directly assigned to a particular WO are charged to that WO.

SERVICE CONTRACT CHARGES:

These expenses are charged directly to construction and other projects based on service performed.

EMPLOYEE BENEFITS:

Vacation, holiday, sick and other off-duty payments by respondent, together with payments by LG&E for hospitalization, dental, group life insurance and pension costs, are charged to construction based on the ratio of direct labor charged to construction to the total direct labor.

ADMINISTRATIVE AND GENERAL EXPENSES:

The allocation of admin and general expenses to construction is based on a study of the estimated time engaged in construction activities by persons and depts charging time to FERC Acct 920. The admin and general salaries and expenses (FERC Acct 920-921) applicable to construction are allocated to all construction WOs on the basis of total direct costs.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC):

LG&E does not capitalize an AFUDC for gas utility plant.

Note:

Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

	Depreciation	Total(b)	Gas Plant in Service (c)	Headroom (Future) (d)	Parental (e)
A. BALANCES AND CHANGES DURING YEAR					
Balance beginning of Year		\$206,165,663.00	\$206,165,663.00	\$0.00	\$0.00
Depreciation Provisions for Year, Charged to					
Depreciation Expense (403)	\$16,081,482.00	\$16,081,482.00	\$0.00	\$0.00	\$0.00
Depreciation Expense for Asset Retirement Costs (403.1)	\$9,059.00	\$9,059.00	\$0.00	\$0.00	\$0.00
Expense of Gas Plant Leased to Others (413)					
Transportation Expenses - Clearing	\$236,988.00	\$236,988.00	\$0.00	\$0.00	\$0.00
Other Clearing Accounts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Clearing (Specify Asset 403 and 254)	(\$56,059.00)	(\$56,059.00)	\$0.00	\$0.00	\$0.00
Total Deprec. Prov. for Year	\$16,271,470.00	\$16,271,470.00	\$0.00	\$0.00	\$0.00
Net Charges for Plant Retired					
Book Cost of Plant Retired	\$1,813,956.00	\$1,813,956.00	\$0.00	\$0.00	\$0.00
Cost of Removal	\$1,197,417.00	\$1,197,417.00	\$0.00	\$0.00	\$0.00
Salvage (Credit)	\$4,137.00	\$4,137.00	\$0.00	\$0.00	\$0.00
Total Net Chrgs for Plant Ret	\$3,007,236.00	\$3,007,236.00	\$0.00	\$0.00	\$0.00
Other Debit or Credit Items (Describe)					
Other	(\$39,270.00)	(\$39,270.00)	\$0.00	\$0.00	\$0.00
Balance at End of Year	\$219,390,627.00	\$219,390,627.00	\$0.00	\$0.00	\$0.00
B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

Account Description	Balance (b)	Gas Plant in Service (c)	Electric Plant in Service (d)	Total (a)
Productions - Manufactured Gas				
Production of Gathering-Natural Gas				
Products Extraction - Natural Gas				
Underground Gas Storage	\$33,964,376.00	\$33,964,376.00	\$0.00	\$0.00
Other Storage Plant				
Base Load LNG Terminaling and Processing Plant				
Transmission	\$11,987,362.00	\$11,987,362.00	\$0.00	\$0.00
Distribution	\$167,528,290.00	\$167,528,290.00	\$0.00	\$0.00
General	\$5,910,599.00	\$5,910,599.00	\$0.00	\$0.00
Total	\$219,390,627.00	\$219,390,627.00	\$0.00	\$0.00

Note:
 Page 219 Distribution Gas Plant In Service contains \$19,693 of ARO Distribution Gas Plant in Service and \$167,508,597 of Distribution Gas Plant.
 Page 219 Underground Gas Storage contains \$401,784 of ARO Underground Gas Storage and \$33,562,592 of Underground Gas Storage.

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Gas Stored Accounts (Lines 1-5) (Ref Page: 220)

	1172(G)	1673(d)	16200	1852(G)	1623(G)	Total()
Balance at Beginning of Year	\$2,139,990.00	\$0.00	\$0.00	\$81,188,407.00	\$0.00	\$83,328,397.00
Gas delivered to Storage	\$0.00	\$0.00	\$0.00	\$131,951,496.00	\$0.00	\$0.00
Gas Withdrawn from Storage	\$0.00	\$0.00	\$0.00	\$100,987,501.00	\$0.00	\$0.00
Other Debits and Credits						
Balance at End of Year	\$2,139,990.00	\$0.00	\$0.00	\$112,152,403.00	\$0.00	\$114,292,402.00

Note:

Line 3, Column f includes \$4,167,187 for 443,255 Mcf of gas lost in storage operations; charged to Account 823, Gas Losses.

Noncurrent gas in Column b consists of recoverable base gas. Current gas in Column f consists of working gas.

The weighted average cost inventory method is used to report gas stored underground.

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Gas Stored Accounts (Lines 6-7) (Ref Page: 220)

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
MCF	\$2,930,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,130,841.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,060,841.00
Amount Per MCF	\$0.73	\$0.00	\$0.00	\$0.00	\$0.00	\$10.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8.12

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Investments (123,124,136) (Ref Page: 222)

Description of Investment (a)	(b)	Book Cost at Beginning of Period	Purchases or Additions (c)	Sales or Other Disposition
Investments in Associated Companies (123)				
(123)				
Other Investments (124)				
(124)	Ohio Valley Electric Corporation Common Stock (1)	\$594,286.00	\$0.00	\$0.00
Temporary Cash Investments (136)				
(136)	Goldman Sachs Money Market	\$35,917.00	\$761.00	\$36,651.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Investments (123,124,136) (Ref Page: 222) (Part Two)

	Principal Investment (1)	Principal Investment (2)	Revenue (3)	Revenue (4)
Investments in Associated Companies (123)				
(123)				
Other Investments (124)				
(124)	Ohio Valley Electric Corporation Common Stock (1)	\$5,630.00	\$594,286.00	\$309,650.00
Temporary Case Investments (136)				
(136)	Goldman Sachs Money Market	\$0.00	\$27.00	\$761.00

Note:
(1) Acquired 1952-53.

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Investments in Subsidiary Companies (123.1) (Ref Page: 224)

Description	Participating (b)	Participating (c)	Investment Equity (d)	Equity in Subsidiary (a)	Revenue (f)	Investment Equity - Investment (g)	Investment Equity - Investment (g)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Prepayments (Ref Page: 230)

Balance at End of Year	
Prepaid Insurance	\$2,966,280.00
Prepaid Rents	
Prepaid Taxes	\$945,216.00
Prepaid Interest	
Miscellaneous Prepayments	\$1,605,443.00
Total	\$5,516,939.00

Note:

The Miscellaneous Prepayments line is comprised of Power Pool \$1,164,240, Rights of Way \$266,667, Risk Management \$90,000, OSI-Transmission \$43,688, Mice Contracts \$18,716; Vehicle License \$11,715, and Research \$ 10,417.

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Extraordinary Property Losses (182.1) (Ref Page: 230)

Description	Balance Forward (b)	Transfers (b)	Losses (b)	Transfers (c)	Acc'd (d)	Transfers (e)	Balance (f)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL							

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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unrecovered Plant and Regulatory Study costs (182.2) (Ref Page: 230)

Description	Balance Forward (b)	Total (c) (b)	Loss (d) (b) (c)	Amort (e)	Write-off (f) (e)	Balance (g)
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Other Regulatory Assets (Acct 182.3) (Ref Page: 232)

Description and Purpose	Balaban (b)	Debit (c)	Written Off/Amo (d)	Balance (e) (f)
SFAS 158 - Pension and Postretirement	\$109,983,623.00	\$140,177,480.00	128/228.3	\$249,597,539.00
Asset Retirement Obligation - Electric	\$18,959,464.00	\$2,032,238.00	407	\$20,970,978.00
Wind Storm 2008	\$0.00	\$23,530,745.00	0	\$23,530,745.00
Mill Creek/Ash Pond Recovered through ECR	\$3,719,010.00	\$1,369,258.00	501	\$2,743,539.00
MISO Exit Fee	\$13,139,016.00	\$0.00	182	\$12,174,346.00
Asset Retirement Obligation - Gas	\$5,197,802.00	\$2,879,043.00	407	\$8,074,042.00
Asset Retirement Obligation - Common	\$23,134.00	\$1,543.00	407	\$24,668.00
Ky Consortium for Carbon Storage	\$123,820.00	\$0.00	0	\$123,820.00
Total	\$151,022,049.00	\$170,114,127.00		\$317,239,677.00

Note:
Pursuant to FERC Order, Docket No. ER06-1308-004 issued March 4, 2008, adjustments are being made to the beginning balance of the regulatory asset for the MISO exit fee originally paid by the Company in September 2006. These adjustments will continue to be recorded until December 2014.

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Miscellaneous Deferred Debits (Acct 186) (Ref Page: 233)

Description (a)	Balance (b)	Debits (c)	Credits (d)	Balance (e)	Balance (f)
Gas Supply Adjustment - Collections from Customers	\$15,945,234.00	\$35,053,359.00	480-482/803/253	\$26,897,398.00	\$24,101,255.00
Fuel Adjustment Clause	\$9,474,000.00	\$16,034,000.00	440-445	\$18,081,000.00	\$7,427,000.00
Environmental Cost Recovery	\$3,579,002.00	\$39,501,350.00	440-445	\$39,275,542.00	\$3,804,810.00
Gas PBR	\$4,261,376.00	\$2,846,488.00	186/803	\$3,647,828.00	\$3,460,036.00
Rate Case Expenses - Electric	\$0.00	\$689,293.00		\$0.00	\$689,293.00
Rate Case Expenses - Gas	\$0.00	\$230,095.00		\$0.00	\$230,095.00
Merger Surcredit Settlement	\$773,073.00	\$1,972,000.00	440-445/480-489	\$2,428,073.00	\$317,000.00
Cellular Antenna Billable Charges	\$34,437.00	\$924,720.00	456	\$668,613.00	\$290,344.00
Financing Expenses	\$0.00	\$953,592.00	181/189	\$913,592.00	\$140,060.00
Customer Credit Accounts Receivable	\$192,855.00	\$1,732,631.00	440-445/480-482	\$1,806,079.00	\$119,407.00
Land Options	\$0.00	\$3,834.00	0	\$0.00	\$3,834.00
Manufactured Gas Plants (Oct-00 to Sep-08)	\$60,979.00	\$0.00	930/2	\$60,979.00	\$0.00
Misc. Work In Progress					
Total	\$34,320,956.00	\$99,941,362.00		\$93,679,164.00	\$40,563,134.00

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Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234)

Description	Am 01/01/08	Am 12/31/08	Am 01/01/09	Am 12/31/09
Account 190				
Electric	\$43,714,362.00	\$9,643,569.00	\$23,401,788.00	\$157,885.00
Gas	\$8,447,772.00	\$2,605,683.00	\$3,321,617.00	\$14,603.00
Other (Define)				
Total	\$52,162,134.00	\$12,249,272.00	\$26,723,405.00	\$172,488.00
Other (Specify)				
TOTAL Acct 190	\$52,162,134.00	\$12,249,272.00	\$26,723,405.00	\$172,488.00
Classification of TOTAL				
Federal Income Tax	\$43,869,359.00	\$10,623,949.00	\$23,341,424.00	\$149,164.00
State Income Tax	\$8,292,775.00	\$1,625,323.00	\$3,381,981.00	\$23,324.00
Local Income Tax				
				\$38,894.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234) (Part Two)

Account 190	Description	Debit Amount (g)	Credit Amount (h)	Balance Forward (i)
Electric	219 & 282	\$4,243,505.00	254	\$58,599,973.00
Gas		\$0.00	254 & 282	\$6,382,229.00
Other (Define)				
Total		\$4,243,505.00	\$5,998,506.00	\$64,982,202.00
Other (Specify)				
TOTAL Acct 190		\$4,243,505.00	\$5,998,506.00	\$64,982,202.00
Classification of TOTAL				
Federal Income Tax		\$3,247,235.00	\$4,800,300.00	\$55,119,135.00
State Income Tax		\$996,270.00	\$1,198,206.00	\$9,863,067.00
Local Income Tax				

Capital Stock (Accounts 201 and 204) (Ref Page: 250)

CLASS Series and Name(b)	Num Shares Amt(b)	Par or Stated Val(c)	Salvage(d)	Outstanding Shares(e)
Common Stock				
Without Par Value	75,000,000	\$0.00	\$0.00	\$21,294,223.00
Total Common Stock	75,000,000	\$0.00	\$0.00	\$21,294,223.00
Preferred Stock				
Cumulative, \$25 Par Value, 5%	1,720,000	\$25.00	\$0.00	\$0.00
Auction Rate, Without Par Value	6,750,000	\$100.00	\$0.00	\$0.00
Total Preferred Stock	8,470,000	\$125.00	\$0.00	\$0.00
TOTAL Capital Stock	83,470,000	\$125.00	\$0.00	\$21,294,223.00
Other				

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Capital Stock (Accounts 201 and 204) (Ref Page: 250) (Part Two)

Class	Series and Name	Outstanding Amt (f)	Num of Shrs (g)	Cost Per Sh (h)	Mon Held (i)	Num of Shrs (j)	Mon Held (k)
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Common Stock

Without Par Value	\$425,170,424.00	0	\$0.00	0	\$0.00
Total Common Stock	\$425,170,424.00	0	\$0.00	0	\$0.00
Preferred Stock					
Cumulative, \$25 Par Value, 5%	\$0.00	0	\$0.00	0	\$0.00
Auction Rate Without Par Value	\$0.00	0	\$0.00	0	\$0.00
Total Preferred Stock	\$0.00	0	\$0.00	0	\$0.00
TOTAL Capital Stock	\$425,170,424.00	0	\$0.00	0	\$0.00
Other					

Note:
There is no Call Price for Common Stock Without Par Value.

The Common Stock of Louisville Gas and Electric Company is owned by its parent company, E.ON U.S. LLC.

Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Page: 252)

Description (a)	Shares (b)	Amount (c)
Capital Stock Subscribed (202,205)	0	\$0.00
Total Capital Stock Subscribed	0	\$0.00
Stock Liability for Conversion (203,206)	0	\$0.00
Total Stock Liability for Conversion	0	\$0.00
Premium on Capital Stock (207)	0	\$0.00
Total Premium on Capital Stock (207)	0	\$0.00
Installments Received on Capital Stock (212)	0	\$0.00
Total Installments Received on Capital Stock (212)	0	\$0.00

Other Paid-In Capital (208-211) (Ref Page: 253)

Item (a)	Item (b)	Item (c)	Item (d)	Item (e)
(a) Donations Received from Stockholders (208)				
Total (208)				
(b) Reduction in Par or Stated Value (209)				
Total (209)				
(c) Gain or Resale or Cancellation of reacquired Capital Stock (210)				
Total (210)				
(d) Miscellaneous Paid-in Capital (211)				
			Contributed Cap - Misc. January 1, 2008	\$60,000,000.00
			Contributed Cap December 26, 2008	\$20,000,000.00
			Contributed Cap December 31, 2008	\$3,530,392.00
Total (211)				\$83,530,392.00
Total Accts 208-211				\$83,530,392.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Discount on Capital Stock (Act 213) (Ref Page: 254)

Class and Series (g)	Balance Sheet (h)
	0

This is not applicable for LG&E

TOTAL

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Capital Stock Expense (Act 214) (Ref Page: 254)

Classified Stock (a)	Balance Forward (b)
Expenses on Common Stock	\$835,889.00
TOTAL	\$835,889.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Long-Term Debt (221,222,223 and 224) (Ref Page: 256)

Acct	Class Series and Name (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (d)	Interest Rate (e)
(221)	Jefferson Co 2000 Series A, due 05/01/27 5.375%	05/01/2000	05/01/2027	\$25,000,000.00	5.3750
(221)	Trimble Co 2000 Series A, due 08/01/30, Var	08/01/2000	08/01/2030	\$83,335,000.00	0.0000
(221)	Jefferson Co 2001 Series A, due 09/01/27, Var	09/01/2001	09/01/2027	\$10,104,000.00	0.0000
(221)	Jefferson Co 2001 Series A, due 09/01/26, Var	03/06/2002	09/01/2026	\$22,500,000.00	0.0000
(221)	Trimble Co 2001 Series A, due 09/01/26, Var	03/06/2002	09/01/2026	\$27,500,000.00	0.0000
(221)	Jefferson Co 2001 Series B, due 11/01/27, Var	03/22/2002	11/01/2027	\$35,000,000.00	0.0000
(221)	Trimble Co 2001 Series B, due 11/01/27, Var	03/22/2002	11/01/2027	\$35,000,000.00	0.0000
(221)	Trimble Co 2002 Series A, due 10/01/32, Var	10/15/2002	10/01/2032	\$41,665,000.00	0.0000
(221)	Louisville Metro 2003 Series A, due 10/01/33, Var	11/20/2003	10/01/2033	\$128,000,000.00	0.0000
(221)	Louisville Metro 2005 Series A, due 02/01/35, 5.750%	04/13/2005	02/01/2035	\$40,000,000.00	5.7500
(221)	Trimble Co 2007 Series A, due 06/01/33, 4.600%	04/26/2007	06/01/2033	\$60,000,000.00	4.6000
(221)	Louisville Metro 2007 Series A, due 06/01/33, 5.625%	04/26/2007	06/01/2033	\$31,000,000.00	5.6250
(221)	Louisville Metro 2007 Series B, due 06/01/33, Var	04/26/2007	06/01/2033	\$35,200,000.00	0.0000
(221)	Interest Rate Swaps			\$0.00	0.0000
	Total (221)			\$574,304,000.00	
Acct 222	Reacquired Bonds				

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Long-Term Debt (221,222,223 and 224) (Ref Page: 256)

GLP Series (a)	Non-Interest-Bearing (b)	Face of Maturity (c)	Outstanding (d)	Interest Payable (e)
(222)	Louisville Metro 2003 Series A, 11/20/2003 due 10/01/33, Var	10/01/2033	(\$128,000,000.00)	0.0000
(222)	Louisville Metro 2007 Series B, 04/26/2007 due 06/01/33, Var	06/01/2033	(\$35,200,000.00)	0.0000
Total (222)			(\$163,200,000.00)	
Acct 223 - Advances from Associated Companies				
(223)	Notes Payable to Fidelia, due 01/15/2004 01/16/12, 4.330%	01/16/2012	\$25,000,000.00	4.3300
(223)	Notes Payable to Fidelia, due 04/30/2003 04/30/13, 4.550%	04/30/2013	\$100,000,000.00	4.5500
(223)	Notes Payable to Fidelia, due 08/15/2003 08/15/13, 5.310%	08/15/2013	\$100,000,000.00	5.3100
(223)	Notes Payable to Fidelia, due 11/23/2008 11/23/15, 6.480%	11/23/2015	\$50,000,000.00	6.4800
(223)	Notes Payable to Fidelia, due 07/25/2008 07/25/18, 6.210%	07/25/2018	\$25,000,000.00	6.2100
(223)	Notes Payable to Fidelia, due 11/26/2007 11/26/22, 5.720%	11/26/2022	\$47,000,000.00	5.7200
(223)	Notes Payable to Fidelia, due 04/13/2007 04/13/31, 5.930%	04/13/2031	\$68,000,000.00	5.9300
(223)	Notes Payable to Fidelia, due 04/13/2007 04/13/37, 5.980%	04/13/2037	\$70,000,000.00	5.9800
Total (223)			\$485,000,000.00	
Acct 224 - Other Long Term Debt				
(224)				0
Total (224)				0

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two)

Class	Series and Name (a)	Interest Amounts (f)	Help	Required Bonds	Hold	Sinking and Other	Redemption Price (g)
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Acct 221 Bonds

(221)	Jefferson Co 2000 Series A due 05/01/27, 5.375%	\$674,047.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Trimble Co 2000 Series A, due 08/01/30, Var	\$2,602,138.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Jefferson Co 2001 Series A, due 09/01/27, Var	\$288,607.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Jefferson Co 2001 Series A, due 09/01/26, Var	\$525,251.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Trimble Co 2001 Series A, due 09/01/26, Var	\$641,974.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Jefferson Co 2001 Series B, due 11/01/27, Var	\$822,034.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Trimble Co 2001 Series B, due 11/01/27, Var	\$822,034.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Trimble Co 2002 Series A, due 10/01/32, Var	\$1,451,219.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Louisville Metro 2003 Series A, due 10/01/33, Var	\$4,551,109.00	(\$128,000,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Louisville Metro 2005 Series A, due 02/01/35, 5.750%	\$725,511.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Trimble Co 2007 Series A, due 06/01/33, 4.600%	\$2,770,603.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Louisville Metro 2007 Series A, due 06/01/33, 5.625%	\$671,174.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Louisville Metro 2007 Series B, due 06/01/33, Var	\$1,250,403.00	(\$35,200,000.00)	\$0.00	\$0.00	\$0.00	\$0.00
(221)	Interest Rate Swaps	\$4,795,143.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total (221)		\$22,591,247.00	(\$163,200,000.00)	\$0.00	\$0.00	\$0.00	\$0.00

Acct 222 Reacquired Bonds

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two)

Class	Series and Name (a)	Interest Amount (f)	Orig. Required Equip.	Orig. Estimated Inv. Cost	Repayment Period (g)	Repayment Period (h)
(222)	Louisville Metro 2003 Series A, (\$1,672,044.00) due 10/01/33, Var	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(222)	Louisville Metro 2007 Series B (\$681,682.00) due 06/01/33, Var	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total (222)	(\$2,353,926.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Acct 223	Advances from Associated Companies					
(223)	Notes Payable to Fidelity, due 01/16/12, 4.330%	\$1,082,500.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 04/30/13, 4.550%	\$4,550,000.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 08/15/13, 5.310%	\$5,310,000.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 11/23/15, 6.480%	\$351,000.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 07/25/18, 6.210%	\$672,750.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 11/26/22, 5.720%	\$2,688,400.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 04/13/31, 5.930%	\$4,032,400.00	\$0.00	\$0.00	\$0.00	\$0.00
(223)	Notes Payable to Fidelity, due 04/13/37, 5.980%	\$4,186,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total (223)	\$22,873,050.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Acct 224	Other Long Term Debt					
(224)	Total (224)					

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Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two) - NOTES

Note:

1) Debt premium and expenses are being amortized over the lives of the related issues.
 2) Pollution Control Bonds (PCB) issued in connection with tax exempt pollution control revenue bonds obligated LG&E to make debt service payments to the Counties of the related PCB.

3) As of December 31, 2008, LG&E had in effect four interest-rate swap agreements to hedge its exposure to tax exempt rates related to PCB variable rate series. LG&E's positions under the swap agreements are to pay a fixed rate and receive a variable rate based on the Bond Market Association Municipal Swap Index or London Interbank Offered Rate (LIBOR). The swap agreement terms are:

Notional Amount	Maturity	Payable	Receiveable
\$83,335,000	11/01/2020	Fixed 5.495%	BMA Index
\$32,000,000	10/01/2032	Fixed 3.657%	68% of 1 mo LIBOR
\$32,000,000	10/01/2032	Fixed 3.645%	68% of 1 mo LIBOR
\$32,000,000	10/01/2032	Fixed 3.695%	68% of 1 mo LIBOR

4) In 2008, LG&E issued notice to bondholders of its intention to convert five bond issues from the auction rate mode to a weekly interest rate mode as permitted under the loan documents. Each of the bond series was purchased from the remarketing agent and held by LG&E in connection with the conversion. In November 2008, three PCB were converted to a fixed rate for an intermediate term. The terms of the November transaction are:

Series	Interest Rate	End of Fixed Rate Term
Jefferson Co 2000A	5.375%	November 30, 2011
Louisville Metro 2007A	5.625%	December 2, 2012
Louisville Metro 2005A	5.750%	December 1, 2013

As of December 31, 2008, LG&E continued to hold repurchased bonds in the amount of \$163M.

5) During 2008, LG&E executed two additional long-term loans with Fidelia Corp:

Amount	Interest Rate	Date Issued	Maturity Date
\$25,000,000	6.21%	07/25/2008	07/25/2018
\$50,000,000	6.48%	11/21/2008	11/23/2015

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Debt Expense (181,225,226) (Ref Page: 258)

Basic Information: Account Name: Principal Amount (\$ mil) Total Expense Premium: Amortization Period (month) Amortization Period (yr)

Acct 181						
(181)	\$0.00	\$0.00				
(181)	\$0.00	\$0.00				
(181)	\$0.00	\$0.00				
(181)	\$0.00	\$0.00				
(181)	Jefferson County 2001 Series A, due 9/1/2027	\$10,104,000.00	\$5,16,731.00	09/11/2001		09/01/2027
(181)		\$0.00	\$0.00			
(181)	Jefferson County 2000 Series A, due 5/1/2027	\$25,000,000.00	\$827,529.00	05/19/2000		05/01/2027
(181)	Trimble County 2000 Series A, due 8/1/2030	\$83,335,000.00	\$1,147,368.00	08/01/2000		08/01/2030
(181)	Jefferson County 2001 Series A, due 9/1/2026	\$22,500,000.00	\$24,1747.00	03/06/2002		09/01/2026
(181)	Trimble County 2001 Series A, due 9/1/2026	\$27,500,000.00	\$262,949.00	03/06/2002		09/01/2026
(181)	Jefferson County 2001 Series B, due 11/1/2027	\$35,000,000.00	\$280,398.00	03/22/2002		11/01/2027
(181)	Trimble County 2001 Series B, due 11/1/2027	\$35,000,000.00	\$280,377.00	03/22/2002		11/01/2027
(181)	Trimble County 2002 Series A, due 10/1/2032	\$41,665,000.00	\$1,104,652.00	10/15/2002		10/01/2032
(181)	Louisville Metro 2003 Series A, due 10/1/2033	\$128,000,000.00	\$3,578,417.00	11/20/2003		10/01/2033
(181)	Louisville Metro 2005 Series A, due 2/1/2035	\$40,000,000.00	\$1,371,590.00	04/13/2005		02/01/2035
(181)	Louisville Metro 2007 Series A, due 6/1/2033	\$31,000,000.00	\$678,517.00	04/26/2007		06/01/2033
(181)	Trimble County 2007 Series A, due 6/1/2033	\$60,000,000.00	\$1,239,280.00	04/26/2007		06/01/2033

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Debt Expense (181,225,226) (Ref Page: 258)

	Principal Amount	Amortization Period	Amortization Period	Amortization Period
(181)	Louisville Metro 2007 Series B, \$35,200,000.00 due 6/1/2033	\$634,193.00	04/26/2007	06/01/2033
Total (181)	\$574,304,000.00	\$12,365,688.00		
Acct 225				
(225)				
Total (225)				
Acct 226				
(226)				
Total (226)				

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Debt Expense (181,225,226) (Ref Page: 258) (Part Two)

Acct	Designation (Long Term)	Beginning of Year (f)	Debits (g)	Credits (h)	Balance at End of Year (i)
(181)		\$0.00	\$0.00	\$0.00	\$0.00
(181)		\$0.00	\$0.00	\$0.00	\$0.00
(181)		\$0.00	\$0.00	\$0.00	\$0.00
(181)		\$0.00	\$0.00	\$0.00	\$0.00
(181)	Jefferson County 2001 Series A, due 9/1/2027	\$390,168.00	\$2,923.00	\$19,905.00	\$373,166.00
(181)		\$0.00	\$0.00	\$0.00	\$0.00
(181)	Jefferson County 2000 Series A, due 5/1/2027	\$462,011.00	\$0.00	\$462,011.00	\$0.00
(181)	Trimble County 2000 Series A, \$864,431.00 due 8/1/2030	\$864,431.00	\$1,756.00	\$38,319.00	\$827,868.00
(181)		\$184,282.00	\$0.00	\$9,876.00	\$174,406.00
(181)	Jefferson County 2001 Series A, due 9/1/2026	\$184,282.00	\$0.00	\$9,876.00	\$174,406.00
(181)		\$200,449.00	\$0.00	\$10,740.00	\$189,709.00
(181)	Trimble County 2001 Series A, \$200,449.00 due 9/1/2026	\$200,449.00	\$0.00	\$10,740.00	\$189,709.00
(181)		\$217,107.00	\$0.00	\$10,944.00	\$206,163.00
(181)	Jefferson County 2001 Series B, due 11/1/2027	\$217,107.00	\$0.00	\$10,944.00	\$206,163.00
(181)		\$217,141.00	\$0.00	\$10,944.00	\$206,197.00
(181)	Trimble County 2001 Series B, \$217,141.00 due 11/1/2027	\$217,141.00	\$0.00	\$10,944.00	\$206,197.00
(181)		\$911,678.00	\$1,756.00	\$36,873.00	\$876,561.00
(181)	Trimble County 2002 Series A, \$911,678.00 due 10/1/2032	\$911,678.00	\$1,756.00	\$36,873.00	\$876,561.00
(181)		\$3,025,011.00	\$64,826.00	\$3,089,837.00	\$0.00
(181)	Louisville Metro 2003 Series A, \$3,025,011.00 due 10/1/2033	\$3,025,011.00	\$64,826.00	\$3,089,837.00	\$0.00
(181)		\$991,998.00	\$0.00	\$991,998.00	\$0.00
(181)	Louisville Metro 2005 Series A, \$991,998.00 due 2/1/2035	\$991,998.00	\$0.00	\$991,998.00	\$0.00
(181)		\$632,032.00	\$0.00	\$632,032.00	\$0.00
(181)	Louisville Metro 2007 Series A, \$632,032.00 due 6/1/2033	\$632,032.00	\$0.00	\$632,032.00	\$0.00
(181)		\$1,207,340.00	\$0.00	\$47,192.00	\$1,160,148.00
(181)	Trimble County 2007 Series A, \$1,207,340.00 due 6/1/2033	\$1,207,340.00	\$0.00	\$47,192.00	\$1,160,148.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Debt Expense (181,225,226) (Ref Page: 258) (Part Two)

	Designation (a)	Beginning (b)	Debits (c)	Credits (d)	Balance End (e)
(181)	Louisville Metro 2007 Series B, \$594,482.00 due 6/1/2033	\$0.00	\$594,482.00	\$0.00	\$0.00
Total (181)		\$9,898,130.00	\$71,261.00	\$5,955,153.00	\$4,014,236.00
Acct 225					
(225)					
Total (225)					
Acct 226					
(226)					
Total (226)					

Note:

- (1) See Note 1 - Page 257 footnotes
- (2) See Note 3 - Page 257 footnotes
- (3) Total credits in column (h) relating to amortization of debt expense charged to Account 428 is \$279,654. The remaining debits and credits in columns (g) and (h) represent transfers-in and transfers-out of new and old unamortized debt expense balances related to the refinancings discussed in Note (4) of pages 256-257.

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Loss and Gain on Required Debt (189,257) (Ref Page: 260)

Debit (Credit)	Date Acquired (a)	Par Value (b)	Net Gain or Loss (c)	Balance Beginning	Balance End of Year (d)
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Acct 189						
(189)		\$0.00	\$0.00	\$0.00	\$0.00	
(189)	1985 Series J, due 07/01/1995	08/01/1990	\$25,000,000.00	\$787,340.00	\$236,214.00	\$204,715.00
(189)			\$0.00	\$0.00	\$0.00	\$0.00
(189)			\$0.00	\$0.00	\$0.00	\$0.00
(189)	First Mortgage Bonds, due 10/01/2009	12/01/1990	\$25,000,000.00	\$1,787,442.00	\$166,835.00	\$71,507.00
(189)			\$0.00	\$0.00	\$0.00	\$0.00
(189)	1976 Series A, due 09/01/2006	08/01/1993	\$35,200,000.00	\$439,383.00	\$122,370.00	\$100,458.00
(189)	1975 Series A, due 09/01/2000	10/01/1992	\$31,000,000.00	\$286,757.00	\$110,885.00	\$99,413.00
(189)	1987 Series A, due 09/01/1997	10/01/1992	\$60,000,000.00	\$2,574,187.00	\$995,442.00	\$892,458.00
(189)	1990 Series A, due 06/15/2015	06/01/2000	\$25,000,000.00	\$2,171,404.00	\$1,566,375.00	\$1,485,351.00
(189)	1990 Series A TC, due 11/01/2020	08/01/2000	\$83,335,000.00	\$4,298,037.00	\$3,245,077.00	\$3,107,378.00
(189)	1996 Series A JC, due 09/01/2026	03/01/2002	\$22,500,000.00	\$1,896,244.00	\$1,445,305.00	\$1,367,881.00
(189)	1996 Series A TC, due 09/01/2026	03/01/2002	\$27,500,000.00	\$1,601,630.00	\$1,220,725.00	\$1,155,325.00
(189)	1997 Series A JC, due 11/01/2027	03/01/2002	\$35,000,000.00	\$1,256,362.00	\$972,803.00	\$923,747.00
(189)	1997 Series A TC, due 11/01/2027	03/01/2002	\$35,000,000.00	\$1,251,639.00	\$969,159.00	\$920,295.00
(189)	1990 Series B TC, due 11/01/2020	10/01/2002	\$41,665,000.00	\$1,671,182.00	\$1,381,470.00	\$1,325,658.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Unamortized Loss and Gain on Required Debt (189,257) (Ref Page: 260)

	Designation	Date Required (b)	Principal (a)	Net Carrying (c)	Balance Beginning of Year (d)	Balance End of Year (e)
(189)	1995 Series A JC, due 04/15/2023	11/01/2005	\$40,000,000.00	\$1,397,647.00	\$1,268,716.00	\$1,221,868.00
(189)	1993 Series B JC, due 10/15/2020	11/01/2003	\$26,000,000.00	\$5,693,169.00	\$4,900,266.00	\$4,709,957.00
(189)	Preferred Stock, \$5.875, due 07/01/2008	04/16/2007	\$20,000,000.00	\$105,990.00	\$131,557.00	\$0.00
(189)	1992 Series A JC, due 09/01/2017	04/26/2007	\$31,000,000.00	\$130,784.00	\$127,059.00	\$122,092.00
(189)	1992 Series A TC, due 09/01/2017	04/26/2007	\$60,000,000.00	\$172,943.00	\$168,017.00	\$161,449.00
(189)	1993 Series A JC, due 08/15/2013	04/26/2007	\$35,200,000.00	\$74,067.00	\$71,957.00	\$69,144.00
(189)	2005 Series A JC, due 05/01/2027	03/24/2008	\$40,000,000.00	\$1,269,342.00		\$1,236,785.00
(189)	2000 Series A JC, due 05/01/2027	05/01/2005	\$25,000,000.00	\$636,531.00		\$618,969.00
(189)	2003 Series A JC, due 10/01/2033	07/08/2008	\$128,000,000.00	\$3,042,161.00		\$2,991,848.00
(189)	2006 Series A JC, due 06/01/2033	04/04/2008	\$31,000,000.00	\$856,404.00		\$836,235.00
(189)	2006 Series B JC, due 06/01/2033	04/04/2008	\$35,000,000.00	\$613,332.00		\$595,496.00
Total (189)			\$917,400,000.00	\$34,003,977.00	\$19,100,231.00	\$24,212,029.00
Acct 257						
(257)						
Total (257)						

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Ref Page: 261)

Detail (A)	Amount (B)
Net Income for the Year	\$90,200,281.00
Reconciling Items for the Year	
Taxable Income Not Reported on Books	
Purchased Gas Adjustment	\$12,572,904.00
Contributions In Aid of Construction	\$4,000,000.00
Other	\$660,612.00
Deductions Recorded on Books Not Deducted For Return	
Utility Operating Income	\$40,043,410.00
Other Income and Deductions	(\$2,606,715.00)
Provision for Deferred Income Taxes-Net	(\$4,859,164.00)
MISO Exit Fees-Transmission	\$4,308,616.00
Interest Rate Swaps	\$30,730,591.00
Pensions	\$3,920,223.00
Investment Tax Credit	\$8,121,028.00
Capitalized Interest	\$11,567,744.00
Current State Income Taxes	\$2,542,438.00
FAC Under Recovery	\$1,821,192.00
Environmental Cost Recovery-Ash Hauling	\$975,471.00
SFAS 106 Postretirement	\$868,379.00
Demand Side Management	\$1,049,357.00
Other	\$1,759,908.00
Income Recorded on Books Not Included in Return	
Amortization of Investment Tax Credit	\$3,870,920.00
Other	\$15,589.00
Deductions on Return Not Charged Against Book Income	
Storm Damages	\$23,530,745.00
Method Life-Depreciation	\$27,303,998.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Ref Page: 261)

Detail (a)	Amount (b)
Tax Gain/Loss on Sale of Equipment	\$12,223,551.00
Loss on/Reacquired Debt, Net of Amortization	\$5,111,799.00
IRC 199 Manufacturing Deduction	\$3,833,365.00
State Income Tax Deduction	\$2,668,367.00
Regulatory Expenses	\$919,388.00
SFAS 143-ARO	\$894,767.00
Mark to Market	\$833,146.00
Other	\$1,716,354.00
Federal Tax Net Income	\$124,752,286.00
Show Computation of Tax	
35% Rounded	\$43,663,300.00
Add: Adj. of Prior Years Taxes to Actual & Other	\$1,894,423.00
Add: Investment Tax Credits	(\$8,121,028.00)
Total	\$37,436,695.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Balance of Taxes Accrued (b)	Balance of Prepaid Taxes (c)	Taxes Charged (d)
Federal:	\$0.00	\$0.00	\$0.00
Income	(\$6,107,470.00)	\$0.00	\$44,122,281.00
FICA	\$618,958.00	\$0.00	\$5,824,853.00
FIN 48	\$232,500.00	\$0.00	(\$232,500.00)
Kentucky & Other States:	\$0.00	\$0.00	\$0.00
Auto License	\$0.00	\$0.00	\$69,529.00
Income	(\$832,672.00)	\$0.00	\$4,095,834.00
Public Service Commission:	\$0.00	\$969,694.00	\$1,914,910.00
6% Use (Kentucky)	\$527,168.00	\$0.00	\$4,302,798.00
5% Use (Indiana)	\$0.00	\$0.00	\$68,256.00
FIN 48	\$292,769.00	\$0.00	(\$292,769.00)
Federal & Kentucky:	\$0.00	\$0.00	\$0.00
Unemployment Insurance	\$53,549.00	\$0.00	\$121,526.00
Local:	\$0.00	\$0.00	\$0.00
Occupational	\$0.00	\$0.00	\$0.00
Federal, State & Local:	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00
Kentucky & Local	\$0.00	\$0.00	\$0.00
Property Taxes	\$9,962,060.00	\$0.00	\$15,209,258.00
Total	\$4,746,862.00	\$969,694.00	\$75,203,976.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction(a)	Taxes Paid(e)	Adjt(f)	Balance 2/16/08	Balance 1/16/08
Federal:	\$0.00	\$0.00	\$0.00	\$0.00
Income	\$32,684,276.00	\$0.00	\$5,330,535.00	\$0.00
FICA	\$5,745,395.00	\$0.00	\$698,416.00	\$0.00
FIN 48	\$0.00	\$0.00	\$0.00	\$0.00
Kentucky & Other States:	\$0.00	\$0.00	\$0.00	\$0.00
Auto License	\$69,529.00	\$0.00	\$0.00	\$0.00
Income	\$1,521,923.00	\$0.00	\$1,741,239.00	\$0.00
Public Service Commission	\$1,890,432.00	\$0.00	\$0.00	\$945,216.00
6% Use (Kentucky)	\$4,251,091.00	\$0.00	\$578,875.00	\$0.00
5% Use (Indiana)	\$68,256.00	\$0.00	\$0.00	\$0.00
FIN 48	\$0.00	\$0.00	\$0.00	\$0.00
Federal & Kentucky:	\$0.00	\$0.00	\$0.00	\$0.00
Unemployment Insurance	\$106,095.00	\$0.00	\$68,980.00	\$0.00
Local:	\$0.00	\$0.00	\$0.00	\$0.00
Occupational	\$0.00	\$0.00	\$0.00	\$0.00
Federal, State & Local:	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
Kentucky & Local	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$15,207,618.00	\$0.00	\$9,963,700.00	\$0.00
Total	\$61,544,615.00	\$0.00	\$18,381,745.00	\$945,216.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262)

Kind of Instruction	Electric (408) (409) (0)	Gas (408) (409) (0)	Other (408) (409) (0)	Other (408) (409) (0)
Federal:	\$0.00	\$0.00	\$0.00	\$0.00
Income	\$32,762,857.00	\$7,280,553.00	\$0.00	(\$2,606,715.00)
FICA	\$5,478,349.00	\$1,255,900.00	\$0.00	\$0.00
FIN 48	\$0.00	\$0.00	\$0.00	\$0.00
Kentucky & Other States:	\$0.00	\$0.00	\$0.00	\$0.00
Auto License	\$0.00	\$0.00	\$0.00	\$0.00
Income	\$2,622,685.00	\$1,659,740.00	\$0.00	(\$479,336.00)
Public Service Commission	\$1,295,033.00	\$619,877.00	\$0.00	\$0.00
6% Use (Kentucky)	\$90,533.00	\$0.00	\$0.00	\$0.00
5% Use (Indiana)	\$0.00	\$0.00	\$0.00	\$0.00
FIN 48	\$0.00	\$0.00	\$0.00	\$0.00
Federal & Kentucky:	\$0.00	\$0.00	\$0.00	\$0.00
Unemployment Insurance	\$164,123.00	\$35,869.00	\$0.00	\$0.00
Local:	\$0.00	\$0.00	\$0.00	\$0.00
Occupational	\$29,333.00	\$5,934.00	\$0.00	\$0.00
Federal, State & Local:	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$394.00	\$0.00	\$0.00	\$0.00
Kentucky & Local	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$11,222,818.00	\$3,758,909.00	\$0.00	\$1,815.00
Total	\$53,666,125.00	\$14,616,782.00	\$0.00	(\$3,054,236.00)

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262) (Part Two)

Kind/Description (a)	Excess (409.3)(m)	Other Op'l Income (n)	Adj'd Ret. Earnings (7/99)	Other (p)
Federal:	\$0.00	\$0.00	\$0.00	\$0.00
Income	\$0.00	\$0.00	\$0.00	\$6,685,586.00
FICA	\$0.00	\$0.00	\$0.00	(\$909,396.00)
FIN 48	\$0.00	\$0.00	\$0.00	(\$232,500.00)
Kentucky & Other States:	\$0.00	\$0.00	\$0.00	\$0.00
Auto License	\$0.00	\$0.00	\$0.00	\$69,529.00
Income	\$0.00	\$0.00	\$0.00	\$292,745.00
Public Service Commission	\$0.00	\$0.00	\$0.00	\$0.00
6% Use (Kentucky)	\$0.00	\$0.00	\$0.00	\$4,212,265.00
5% Use (Indiana)	\$0.00	\$0.00	\$0.00	\$68,256.00
FIN 48	\$0.00	\$0.00	\$0.00	(\$292,769.00)
Federal & Kentucky	\$0.00	\$0.00	\$0.00	\$0.00
Unemployment Insurance	\$0.00	\$0.00	\$0.00	(\$78,466.00)
Local:	\$0.00	\$0.00	\$0.00	\$0.00
Occupational	\$0.00	\$0.00	\$0.00	(\$35,267.00)
Federal, State & Local:	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00	(\$394.00)
Kentucky & Local	\$0.00	\$0.00	\$0.00	\$0.00
Property Taxes	\$0.00	\$0.00	\$0.00	\$225,716.00
Total	\$0.00	\$0.00	\$0.00	\$10,005,305.00

Note:
 The balance of (\$6,107,470) for Federal income taxes accrued at 12/31/07 reflects an overpayment of Federal income taxes.
 The balance of (\$832,672) for Kentucky income taxes accrued at 12/31/07 reflects an overpayment of Kentucky income taxes.

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Miscellaneous Current and Accrued Liabilities (242) (Ref Page: 268)

(Sum)		Balance Sheet
Vested Vacation Pay Accrued	\$4,934,172.00	
Postretirement Benefits	\$3,587,693.00	
Customer Overpayments	\$3,131,270.00	
Home Energy Assistance	\$321,892.00	
Unearned Revenue	\$152,716.00	
0	\$0.00	
TOTAL	\$12,127,743.00	

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Other Deferred Credits (253) (Ref Page: 269)

Description(a)	Balance Beginning(b)	Debits Added(c)	Credits (e)	Balance Ending(f)
Gas Supply - Refundable to Customers	\$9,365,963.00	\$10,512,483.00	\$30,440,069.00	\$29,293,549.00
Brown CT Long-Term Service Agreement	\$4,665,930.00	\$447,547.00	\$3,672,520.00	\$7,890,903.00
Demand Side Management - Refundable Costs	\$4,261,413.00	\$32,487,333.00	\$33,536,690.00	\$5,310,770.00
KU-EKPC Settlement	\$670,560.00	\$167,640.00	\$0.00	\$502,920.00
Deferred Compensation	\$374,114.00	\$39,444.00	\$39,204.00	\$373,874.00
Uncertain Tax Position - State	\$0.00	\$17,769.00	\$292,769.00	\$275,000.00
Margin Deposit	\$5,237.00	\$304.00	\$67.00	\$5,000.00
Prepaid Transmission System Fee MCI Telecom	\$26,100.00	\$26,100.00	\$0.00	\$0.00
Long-Term Derivative Liability	\$21,492,936.00	\$25,824,212.00	\$4,331,276.00	\$0.00
TOTAL	\$40,862,253.00	\$69,522,832.00	\$72,312,595.00	\$43,652,016.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274)

Account 282	AmplAve 210 (b)	AmplAve 210 (c)	AmplAve 210 (d)	AmplAve 210 (e)	AmplAve 210 (f)
Electric	\$314,338,420.00	\$13,476,810.00	\$12,874,649.00	\$0.00	\$0.00
Gas	\$53,920,284.00	\$2,637,674.00	\$2,411,668.00	\$0.00	\$0.00
Other (Define)					
Total	\$368,258,704.00	\$16,114,484.00	\$15,286,317.00	\$0.00	\$0.00
Other (specify)					
TOTAL Acct 282	\$368,258,704.00	\$16,114,484.00	\$15,286,317.00	\$0.00	\$0.00
Classification of Total					
Federal Income Tax	\$315,258,447.00	\$15,399,224.00	\$12,823,327.00	\$0.00	\$0.00
State Income Tax	\$53,000,257.00	\$715,260.00	\$2,462,990.00	\$0.00	\$0.00
Local Income tax					

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274) (Part Two)

Account 282	Debit Ad/Amnt (0)	Credit Ad/Amnt (0)	Debit Ad/Amnt (0)	Credit Ad/Amnt (0)
Electric	\$0.00	254 & 190	\$2,750,124.00	\$317,690,702.00
Gas	\$0.00	254 & 190	\$319,923.00	\$54,466,213.00
Other (Define)				
Total	\$0.00		\$3,070,044.00	\$372,156,915.00
Other (specify)				
TOTAL Acct 282	\$0.00		\$3,070,044.00	\$372,156,915.00
Classification of Total				
Federal Income Tax	\$0.00		\$2,329,016.00	\$320,163,360.00
State Income Tax	\$0.00		\$741,028.00	\$51,993,555.00
Local Income tax				

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276)

Account (a)	Balance Forward (b)	Amort. (c)	Amort. (d)	Amort. (e)	Amort. (f)
Account 283					
Electric	\$24,458,743.00	\$18,793,083.00	\$6,532,781.00	\$385.00	\$0.00
Gas	\$5,401,099.00	\$5,911,948.00	\$9,284,897.00	\$0.00	\$0.00
Other					
Total	\$29,859,842.00	\$24,705,031.00	\$15,817,678.00	\$385.00	\$0.00
Other (Specify)					
TOTAL (Acct 283)	\$29,859,842.00	\$24,705,031.00	\$15,817,678.00	\$385.00	\$0.00
Classification of Total					
Federal Income Tax	\$25,217,679.00	\$21,283,814.00	\$13,728,852.00	\$385.00	\$0.00
State Income Tax	\$4,642,163.00	\$3,477,840.00	\$2,145,449.00	\$0.00	\$0.00
Local Income tax					

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276) (Part Two)

	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)	Public Utility (G)
Account 283										
Electric	190	\$6,085.00	283	\$26,805.00						\$36,740,150.00
Gas	190 & 283	\$32,887.00		\$0.00						\$1,995,263.00
Other										
Total		\$38,972.00		\$26,805.00						\$38,735,413.00
Other (Specify)										
TOTAL (Acct 283)		\$38,972.00		\$26,805.00						\$38,735,413.00
Classification of Total										
Federal Income Tax		\$38,972.00		\$26,805.00						\$32,760,859.00
State Income Tax		\$0.00		\$0.00						\$5,974,554.00
Local Income tax										

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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Other Regulatory Liabilities (Acct 254) (Ref Page: 278)

Description (by Purpose)	Balance Yr (b)	Debit Amount (d)	Credit (e)	Balance Yr (f)	
SFAS 109 - Income Taxes	\$50,323,938.00	190/282	\$5,098,690.00	\$0.00	\$45,225,248.00
0	\$0.00		\$0.00	\$0.00	\$0.00
MISO Schedule 10 Charges	\$4,455,930.00		\$0.00	\$3,341,946.00	\$7,797,876.00
Asset Retirement Obligation - Electric	\$225,470.00	403	\$302.00	\$427,285.00	\$652,453.00
Asset Retirement Obligation - Gas	\$110,200.00	403	\$496.00	\$2,480,950.00	\$2,590,654.00
Total	\$55,115,538.00		\$5,099,488.00	\$6,250,181.00	\$56,266,231.00

Gas Operating Revenues (Ref Page: 301)

	Region Transmission Operating Revenues (480)	Region Distribution Revenues (481)	Region Gas Sales Revenues (482)	Region Gas Property Revenues (483)	Region Gas Other Revenues (484)	Region Gas Refunds (485)
Sales (480-484)	\$449,457,726.00	\$344,895,688.00	\$0.00	\$0.00	\$0.00	\$0.00
Intracompany Transfers (485)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Forfeited Discounts (487)	\$2,104,687.00	\$1,529,228.00	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Service Revenues (488)	\$47,683.00	\$51,620.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenues from Transportation of Gas of Others Through Gathering Facilities (489.1)	\$0.00	\$5,659,399.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenues from Transportation of Gas of Others Through Transmission Facilities (489.2)	\$853,553.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenues from Transportation of Gas of Others Through Distribution Facilities (489.3)	\$5,417,984.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sales of Prod. Ext. from Natural Gas (490)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Revenues from Natural Gas Proc. by Others (491)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Incidental gasoline and Oil Sales (492)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent from Gas Property (493)	\$408,110.00	\$408,111.00	\$0.00	\$0.00	\$0.00	\$0.00
Interdepartmental Rents (494)	\$33,380.00	\$107,328.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Gas Revenues (495)	\$41,970.00	\$36,355.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$458,365,093.00	\$352,681,729.00	\$0.00	\$0.00	\$0.00	\$0.00
(Less) Provision for Rate Refunds (496)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$458,365,093.00	\$352,681,729.00	\$0.00	\$0.00	\$0.00	\$0.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Operating Revenues (Ref Page: 301) (Part Two)

	Revenue	Operating	Current	Revenue
	(480-484)	(485)	(486)	(487)
Sales	\$449,457,726.00	\$0.00	\$449,457,726.00	\$344,895,688.00
Intracompany Transfers	\$0.00	\$0.00	\$0.00	0
Forfeited Discounts	\$2,104,687.00	\$0.00	\$2,104,687.00	0
Miscellaneous Service Revenues	\$47,683.00	\$0.00	\$47,683.00	0
Revenues from Transportation of Gas of Others Through Gathering Facilities	\$0.00	\$0.00	\$0.00	11,917,246
Revenues from Transportation of Gas of Others Through Transmission Facilities	\$853,553.00	\$853,553.00	5,147	
Revenues from Transportation of Gas of Others Through Distribution Facilities	\$5,417,984.00	\$5,417,984.00	11,313,955	
Sales of Product, Extension from Natural Gas				
Revenues from Natural Gas Proc. by Others				
Incidental gasoline and Oil Sales				
Rent from Gas Property	\$408,110.00	\$0.00	\$408,110.00	0
Interdepartmental Rents	\$33,380.00	\$0.00	\$33,380.00	0
Other Gas Revenues	\$41,970.00	\$0.00	\$41,970.00	0
Subtotal	\$458,365,093.00	\$0.00	\$458,365,093.00	46,444,520

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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Gas Operating Revenues (Ref Page: 301) (Part Two)

Revenue Item	Other Revenues (g)	Total Current Year (g)	Total Current Year (b)	MPERK (a)(d)
(Less) Provision for Rate Refunds (496)	\$0.00	\$458,365,093.00	\$352,681,729.00	46,121,111
Total	\$458,365,093.00	\$458,365,093.00	\$352,681,729.00	46,444,520

(Less) Provision for Rate Refunds (496)

Total	\$458,365,093.00	\$458,365,093.00	\$352,681,729.00	46,444,520
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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302)

Rate Schedule and Zone	Rev From Transition Gas	Rev From Transition Gas	Rev From Transition Gas	Rev From Transition Gas	Rev From Transition Gas
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

\$0.00

\$0.00

\$0.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302) (Part Two)

Rate Schedule and Zone	Initial Revision (a)	Total Operating Rev	Costs Operating Rev	Net Revisions (b)	Net Revisions (c)
[REDACTED]					

\$0.00

0

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304)

Rate Schedule	Rev From Transmission of Gas through Transmission Facilities (489.2) (Ref Page: 304)	Rev From Transmission of Gas through Transmission Facilities (489.2) (Ref Page: 304)	Other Revenue
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Rate - Firm Transportation \$853,553.00
(FT)/Paddy's Run

\$0.00

\$0.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304) (Part Two)

Rate Schedule and Zone	Utility Key	Rate Value (\$)	Product	Unit	Volume	Rate	Value
[REDACTED]							

\$853,553.00

51,147

Rate - Firm Transportation
(FT)/Paddy's Run

Note:

The Kentucky Public Service Commission (KPSC) approved a special contract for firm gas sales and firm gas transportation between LG&E's gas distribution business and LG&E's electric business, per KPSC Order No. 2007-00449 dated April 11, 2008.

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Stroring Gas of Others (489.4) (Ref Page: 306)

Rev From Stroring Gas of Others (489.4) (Ref Page: 306)			
Rev From Stroring Gas of Others (489.4) (Ref Page: 306)	\$0.00	\$0.00	\$0.00

22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Rev From Stroring Gas of Others (489.4) (Ref Page: 306) (Part Two)

Rate Schedule	Unit Con	Other Rev Previous (e)	Total Operating Rev	Total Operating Rev	MG-Cumant(0)	MG-Previous (6)

\$0.00

0

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22200500 Louisville Gas and Electric Company 01/01/2008 - 12/31/2008

Other Gas Revenues (495) (Ref Page: 308)

Description/Transaction	Revenue in Dollars
Miscellaneous - All minor items	\$41,970.00
	\$41,970.00