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MAR 15 2010

PUBLIC SERVICE COMMISSION

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

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

Lonnie E. Bellar
Vice President
T 502-627-4830
F 502-217-2109
lonnie.bellar@eon-us.com

March 15, 2010

RE: ***Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates* – Case No. 2009-00549**

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Louisville Gas and Electric Company to the Second Data Request of Commission Staff dated March 1, 2010, in the above-referenced matter.

Due to the unavailability of Butch Cockerill to sign his verification page, the Company will file his verification page separately.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Lonnie E. Bellar

Lonnie E. Bellar

cc: Parties of Record

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Daniel K. Arbough

Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

STATE OF TEXAS)
) **SS:**
COUNTY OF TRAVIS)

The undersigned, **William E. Avera**, being duly sworn, deposes and says he is President of FINCAP, Inc., that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

William E. Avera
William E. Avera

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 10th day of March 2010.

_______________(SEAL)
Notary Public

My Commission Expires:

1/10/2011

ADRIEN MCKENZIE
Notary Public
STATE OF TEXAS
My Comm Exp Jan 10, 2011

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates for Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Lonnie E. Bellar
Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Shannon L. Charnas**, being duly sworn, deposes and says that she is Director – Utility Accounting and Reporting for E.ON U.S. Services, Inc., and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Shannon L Charnas
Shannon L. Charnas

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Director - Rates for E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Robert M. Conroy

Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Chris Hermann**, being duly sworn, deposes and says that he is Senior Vice President, Energy Delivery for Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

C Hermann

Chris Hermann

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)

Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Ronald L. Miller**, being duly sworn, deposes and says that he is Director – Corporate Tax for E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Ronald L. Miller

Ronald L. Miller

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **J. Clay Murphy**, being duly sworn, deposes and says that he is Director – Gas Management, Planning, and Supply for Louisville Gas and Electric Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

J Clay Murphy

J. Clay Murphy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of March 2010.

Rashelle W. Gaines (SEAL)
Notary Public

My Commission Expires:

February 28, 2014

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

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

Paula H. Pottinger
Paula H. Pottinger, Ph.D.

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

The undersigned, **Valerie L. Scott**, being duly sworn, deposes and says that she is Controller for Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.

Valerie L. Scott
Valerie L. Scott

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and states that he is a Principal and Senior Analyst with The Prime Group, LLC, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

W. S. Seelye
William Steven Seelye

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Paul W. Thompson**, being duly sworn, deposes and says that he is Senior Vice President, Energy Services for Louisville Gas and Electric Company and an employee of E.ON U.S. Services, Inc., and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

Paul W. Thompson

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 12th day of March 2010.

Victoria B. Harper (SEAL)
Notary Public

My Commission Expires:

Sept 20, 2010

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND	)	CASE NO.
ELECTRIC COMPANY FOR AN ADJUSTMENT	)	2009-00549
OF ITS ELECTRIC AND GAS BASE RATES	)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO THE
SECOND DATA REQUEST OF COMMISSION STAFF
DATED MARCH 1, 2010

FILED: March 15, 2010

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 1

Responding Witness: Daniel K. Arbough

Q-1. Refer to pages 5 – 7 of the LG&E application and pages 8 – 10 of the Testimony of Daniel K. Arbough ("Arbough Testimony"). Both sections deal with the interest rate swap with Wachovia Bank, N.A. ("Wachovia"), which Wachovia terminated in December 2008 and which caused LG&E to incur a termination fee of $9,950,000. The remaining term of the swap at the time it was terminated was 24.75 years.

a. Explain whether the terms of the swap agreement required LG&E to agree to the December 2008 termination and incur the related termination fee or whether it had any alternatives to the termination.

b. Page 9 of the Arbough Testimony indicates that LG&E expects its future "[i]nterest expense will be reduced as a result of the termination of the swap." It also refers to the interest rates on the Jefferson County, Series 2003A bond being lower since the swap termination than the rate LG&E paid under the swap agreement. Interest rates on the Series 2003A bond since the swap termination refer to rates from December 2008 to the present. Explain whether this means LG&E believes a period only slightly longer than one year, during which interest rates have been historically low due to the state of the economy, should be relied upon to project interest rates for a future period of roughly 24 years.

c. The sentence starting at line 12 on page 9 of the Arbough Testimony states that LG&E should be allowed to recover the swap termination cost, less $650,449 that had been booked as gain to Other Comprehensive Income, because future interest expense is expected to be reduced as a result of the termination. Absent the expectation of lower interest rates, explain how LG&E would propose to treat the termination cost for rate-making purposes.

A-1. a. The terms of the swap agreement did not provide LG&E with any choice other than agreeing to the termination and paying the termination fee. We believe that such termination provisions have become customary in swaps that have lives as long as the Wachovia swap.

b. Interest rates have been historically low since the time of the termination. However, a longer-term history of rates would suggest that savings will be realized. As of February 25, 2010, the 10-year average of the SIFMA index on which similar bonds are priced has been 2.20%. This does not include any fees for insurance or other forms of credit support. LG&E prudently entered into the interest rate swap with the approval of the KPSC and believes costs incurred as a result of the contract should be recovered.

c. As noted in (b.) above, the Company believes the contract was prudent and all costs associated with it should be recovered.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 2

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-2. Refer to P.S.C. Electric No. 8, Original Sheet No. 15. For two average example customers to be served under the proposed Power Service Rate, one a former Industrial Power Service customer and one a former Commercial Power Service customer, provide the effect of all proposed tariff changes on their bills in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-2. See attached. The proposed Power Service Rate provides service to both secondary and primary delivery. Comparisons are shown for industrial and commercial at both delivery voltages.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Industrial Secondary Power Service

	Current	Average	Billing			Proposed	Average	Billing			Increase	
	Rate	Usage	Summer	Winter	Annual	Rate	Usage	Summer	Winter	Annual	Dollars	Per Cent
Customer Charge	$90.00		$90.00	$90.00	$1,080.00	$90.00		$90.00	$90.00	$1,080.00	$0.00	0.00%
Energy Charge	$0.02611	161,141 kWh	$4,207.39	$4,207.39	$50,488.68	$0.03323	161,141 kWh	$5,354.72	$5,354.72	$64,256.64	$13,767.96	27.27%
Demand Charge												
Summer	$15.10	434 kW	$6,553.40		$26,213.60	$15.57	434 kW	$6,757.38		$33,786.90		
Winter	$12.51	428 kW		$5,354.28	$42,834.24	$13.22	428 kW		$5,658.16	$39,607.12		
Subtotal Demand					$69,047.84					$73,394.02	$4,346.18	6.29%
Total					$120,616.52					$138,730.66	$18,114.14	15.02%

Industrial Primary Power Service

	Current	Average	Billing			Proposed	Average	Billing			Increase	
	Rate	Usage	Summer	Winter	Annual	Rate	Usage	Summer	Winter	Annual	Dollars	Per Cent
Customer Charge	$90.00		$90.00	$90.00	$1,080.00	$90.00		$90.00	$90.00	$1,080.00	$0.00	0.00%
Energy Charge	$0.02611	209,992 kWh	$5,482.89	$5,482.89	$65,794.68	$0.03323	209,992 kWh	$6,978.03	$6,978.03	$83,736.36	$17,941.68	27.27%
Demand Charge												
Summer	$13.34	498 kW	$6,643.32		$26,573.28	$13.73	510 kW	$7,002.30		$35,011.50		
Winter	$10.75	551 kW		$5,923.25	$47,386.00	$11.48	550 kW		$6,314.00	$44,198.00		
Subtotal Demand					$73,959.28					$79,209.50	$5,250.22	7.10%
Total					$140,833.96					$164,025.86	$23,191.90	16.47%

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Commercial Secondary Power Service

	Current Rate	Average Usage	Billing Summer	Billing Winter	Billing Total	Proposed Rate	Average Usage	Billing Summer	Billing Winter	Billing Total	Increase Dollars	Increase Per Cent
Customer Charge	$65.00		$65.00	$65.00	$780.00	$90.00		$90.00	$90.00	$1,080.00	$300.00	38.46%
Energy Charge	$0.02956	60,862 kWh	$1,799.08	$1,799.08	$21,588.96	$0.03323	60,862 kWh	$2,022.44	$2,022.44	$24,269.28	$2,680.32	12.42%
Demand Charge												
Summer	$14.99	162 kW	$2,428.38		$9,713.52	$15.57	160 kW	$2,491.20		$12,456.00		
Winter	$11.93	149 kW		$1,777.57	$14,220.56	$13.22	149 kW		$1,969.78	$13,788.46		
Subtotal Demand					$23,934.08					$26,244.46	$2,310.38	9.65%
Total					$46,303.04					$51,593.74	$5,290.70	11.43%

Commercial Primary Power Service

	Current Rate	Average Usage	Billing Summer	Billing Winter	Billing Total	Proposed Rate	Average Usage	Billing Summer	Billing Winter	Billing Total	Increase Dollars	Increase Per Cent
Customer Charge	$65.00		$65.00	$65.00	$780.00	$90.00		$90.00	$90.00	$1,080.00	$300.00	38.46%
Energy Charge	$0.02956	267,917 kWh	$7,919.63	$7,919.63	$95,035.56	$0.03323	267,917 kWh	$8,902.88	$8,902.88	$106,834.56	$11,799.00	12.42%
Demand Charge												
Summer	$13.15	683 kW	$8,981.45		$35,925.80	$13.73	661 kW	$9,075.53		$45,377.65		
Winter	$10.35	562 kW		$5,816.70	$46,533.60	$11.48	561 kW		$6,440.28	$45,081.96		
Subtotal Demand					$82,459.40					$90,459.61	$8,000.21	9.70%
Total					$178,274.96					$198,374.17	$20,099.21	11.27%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 3

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-3. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 20 and 20.1. For an average example customer to be served under the proposed Industrial Time-of-Day Secondary Service tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-3. See attached.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Industrial Secondary Time-of-Day Service

	Average Usage	Current Rate	Billing Summer	Billing Winter	Billing Annual
Customer Charge		$120.00	$120.00	$120.00	$1,440.00
Energy Charge	262,059 kWh	$0.02616	$6,855.46	$6,855.46	$82,265.52
Demand Charge					
Basic	656 kW	$4.91	$3,220.96	$3,220.96	$38,651.52
Summer	680 kW	$10.05	$6,834.00		$27,336.00
Winter	600 kW	$7.46		$4,476.00	$35,808.00
Subtotal Demand					$101,795.52
Total					$185,501.04

	Average Usage	Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge		$300.00	$3,600.00	$2,160.00	150.00%
Energy Charge	262,059 kWh	$0.02936	$92,328.63	$10,063.11	12.23%
Demand Charge					
Base	663 kW	$5.50	$43,758.00		
Intermediate	627 kW	$4.00	$30,096.00		
Peak	619 kW	$5.48	$40,705.44		
Subtotal Demand			$114,559.44	$12,763.92	12.54%
Total			$210,488.07	$24,987.03	13.47%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 4

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-4. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 21 and 21.1. For an average example customer to be served under the proposed Commercial Time-of-Day Secondary Service tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-4. See attached.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Commercial Secondary Time-of-Day Service

	Average Usage		Current Rate	Billing Summer	Billing Winter	Billing Annual
Customer Charge			$90.00	$90.00	$90.00	$1,080.00
Energy Charge	435,972	kWh	$0.02960	$12,904.77	$12,904.77	$154,857.24
Demand Charge						
Basic	906	kW	$3.65	$3,306.90	$3,306.90	$39,682.80
Summer	979	kW	$11.29	$11,052.91		$44,211.64
Winter	853	kW	$8.23		$7,020.19	$56,161.52
Subtotal Demand						$140,055.96
Total						$295,993.20

	Average Usage		Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge			$200.00	$2,400.00	$1,320.00	122.22%
Energy Charge	435,972	kWh	$0.03344	$174,946.84	$20,089.60	12.97%
Demand Charge						
Base	915	kW	$4.14	$45,457.20		
Intermediate	895	kW	$4.28	$45,967.20		
Peak	885	kW	$5.81	$61,702.20		
Subtotal Demand				$153,126.60	$13,070.64	9.33%
Total				$330,473.44	$34,480.24	11.65%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 5

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-5. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 22 and 22.1. For an average example customer to be served under the proposed Industrial Time-of-Day Primary ("Rate ITODP") Service tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-5. See attached.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Industrial Primary Time-of-Day Service

	Average Usage		Current Rate	Billing Summer	Billing Winter	Billing Annual
Customer Charge			$120.00	$120.00	$120.00	$1,440.00
Energy Charge	3,121,800	kWh	$0.02616	$81,666.29	$81,666.29	$979,995.48
Demand Charge						
Basic	6,601	kW	$3.85	$25,413.85	$25,413.85	$304,966.20
Summer	7,390	kW	$9.35	$69,096.50		$276,386.00
Winter	6,014	kW	$6.76		$40,654.64	$325,237.12
Subtotal Demand						$906,589.32
Total						$1,888,024.80

	Average Usage		Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge			$300.00	$3,600.00	$2,160.00	150.00%
Energy Charge	3,121,800	kWh	$0.02936	$1,099,872.58	$119,877.10	12.23%
Demand Charge						
Base	6,926	kVA	$4.12	$342,421.44		
Intermediate	· 6,792	kVA	$3.42	$278,743.68		
Peak	6,712	kVA	$4.92	$396,276.48		
Subtotal Demand				$1,017,441.60	$110,852.28	12.23%
Total				$2,120,914.18	$232,889.38	12.34%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 6

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-6. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 23 and 23.1. For an average example customer to be served under the proposed Commercial Time-of-Day Primary ("Rate CTODP") Service tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-6. See attached.

LOUISVILLE GAS and ELECTRIC COMPANY
Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Commercial Primary Time-of-Day Service

	Average Usage		Current Rate	Billing Summer	Billing Winter	Billing Annual
Customer Charge			$90.00	$90.00	$90.00	$1,080.00
Energy Charge	1,560,448	kWh	$0.02960	$46,189.26	$46,189.26	$554,271.12
Demand Charge						
Basic	3,147	kW	$2.64	$8,308.08	$8,308.08	$99,696.96
Summer	3,305	kW	$10.50	$34,702.50		$138,810.00
Winter	2,974	kW	$7.70		$22,899.80	$183,198.40
Subtotal Demand						$421,705.36
Total						$977,056.48

	Average Usage		Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge			$200.00	$2,400.00	$1,320.00	122.22%
Energy Charge	1,560,448	kWh	$0.03344	$626,176.57	$71,905.45	12.97%
Demand Charge						
Base	3,178	kVA	$2.99	$114,026.64		
Intermediate	3,084	kVA	$4.20	$155,433.60		
Peak	3,048	kVA	$5.70	$208,483.20		
Subtotal Demand				$477,943.44	$56,238.08	13.34%
Total				$1,106,520.01	$129,463.53	13.25%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 7

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-7. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 25 and 25.1. For an average example customer served under Retail Transmission Service, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-7. See attached.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Base Rate Billing

Retail Transmission Service

	Average Usage		Current Rate	Billing Summer	Billing Winter	Billing Annual
Customer Charge			$120.00	$120.00	$120.00	$1,440.00
Energy Charge	8,007,796	kWh	$0.02616	$209,483.94	$209,483.94	$2,513,807.28
Demand Charge						
Basic	16,483	kVA	$2.36	$38,899.88	$38,899.88	$466,798.56
Summer	17,753	kVA	$8.15	$144,686.95		$578,747.80
Winter	15,660	kVA	$5.90		$92,394.00	$739,152.00
Subtotal Demand						$1,784,698.36
Total						$4,299,945.64

	Average Usage		Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge			$500.00	$6,000.00	$4,560.00	316.67%
Energy Charge	8,007,796	kWh	$0.02936	$2,821,306.69	$307,499.41	12.23%
Demand Charge						
Base	16,648	kVA	$2.61	$521,415.36		
Intermediate	16,358	kVA	$3.05	$598,702.80		
Peak	16,165	kVA	$4.55	$882,609.00		
Subtotal Demand				$2,002,727.16	$218,028.80	12.22%
Total				$4,830,033.85	$530,088.21	12.33%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 8

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-8. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 30 through 30.3. For an average example customer to be served under the proposed Fluctuating Load Service ("Rate FLS") tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-8. See attached. LG&E has no customers on this rate but the charges are shown for comparison.

LOUISVILLE GAS and ELECTRIC COMPANY

Calculation of Proposed Increase on an Average Customer's Billing

Fluctuating Load Service

	Average Usage		Current Rate(1)	Billing Summer	Billing Winter	Billing Annual
Customer Charge			$120.00	$120.00	$120.00	$1,440.00
Energy Charge		kWh	$0.02616	$0.00	$0.00	$0.00
Demand Charge						
Standard Load						
Basic		kVA	$2.70	$0.00	$0.00	$0.00
Summer		kVA	$9.35	$0.00		$0.00
Winter		kVA	$6.76		$0.00	$0.00
Fluctuating Load						
Basic		kVA	$1.24	$0.00	$0.00	$0.00
Summer		kVA	$4.58	$0.00		$0.00
Winter		kVA	$3.29		$0.00	$0.00
Subtotal Demand						$0.00
Total						$1,440.00

	Average Usage		Proposed Rate	Billing Annual	Increase Dollars	Increase Per Cent
Customer Charge			$500.00	$6,000.00	$4,560.00	316.67%
Energy Charge	0	kWh	$0.03271	$0.00	$0.00	0.00%
Demand Charge						
Base		kVA	$1.00	$0.00		
Intermediate		kVA	$1.75	$0.00		
Peak		kVA	$2.75	$0.00		
Subtotal Demand				$0.00	$0.00	0.00%
Total				$6,000.00	$4,560.00	316.67%

Note: (1) Rates shown are for transmission delivery only. LG&E has no customers on this rate.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 9

Responding Witness: Robert M. Conroy

Q-9. Refer to P.S.C. Electric No. 8, Original Sheet No. 35.2. Explain the basis for porposing a maximum of 150 feet of conductor for overhead service in the Lighting Service tariff.

A-9. The current LG&E tariff, Lighting Service, Second Revision of Original Sheet No. 36.2, offers to 'extend its secondary conductor one span' but does not define that overhead span. The current KU tariff, Street Lighting service, Second Revision of Original Sheet No. 35, provides for 'the necessary overhead street lighting circuit' but does not define that overhead span. Under the current KU tariff, Private Outdoor Lighting, Second Revision of Original Sheet No. 36.2, an overhead span is defined as 'up to 100 feet'. In the effort to further harmonize the KU and LG&E tariffs and be consistent, it was decided both Companies would provide 150 feet. The distance is based on good engineering practices since that is the maximum length of a single span of secondary, polyphase conductor that should be installed without requiring either an additional pole or pole support such as guy wires and anchors.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 10

Responding Witness: William Steven Seelye

Q-10. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 40 through 40.6. For an average example customer served under the Cable Television Attachment Charges ("CTAC") tariff, provide the effect of all proposed tariff changes on the customer's bill in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet.

A-10. During the test year, there were only two customers served under this rate schedule. Attached is an average monthly bill impact analysis for these two customers. It should be noted that the pole attachment charge, which reflects the carrying charges associated with the installed cost of poles, has not been increased for almost 20 years. During that time period, the Company's installed cost of poles has increased significantly.

Louisville Gas and Electric Company
Calculation of Proposed Rate Increase
Based on Billing Units for the 12 Months Ended October 31, 2009

Cable TV Pole Attachment Charge

	Current Rate			Proposed Rate		
Description	Current Actuals Monthly Billing Units	Monthly Charge	Actual Billings	Test-Year End Annual Billing Units	Annual Charge	Proposed Billings
Two-User Pole Charge	212,390	$ 0.53 /Mo	$ 112,567	86,490	8.55 /Yr	$ 739,490
Three-User Pole Charge	823,749	$ 0.38 /Mo	313,025			
Total	1,036,139		$ 425,591			$ 739,490
Average Bill per Month per Customer (Two Customers)			$ 17,733			$ 30,812
Increase						$ 13,079

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 11

Responding Witness: William Steven Seelye

Q-11. Explain the proposed addition of the Attachment Charge Adjustment for the CTAC as set out on P.S.C. Electric No. 8, Original Sheet No. 40, including how LG&E proposes to make changes in the Attachment Charge between rate cases.

A-11. As part of its tariff harmonization process, LG&E adopted the referenced language from KU's Standard Rate CTAC, which went into effect on January 1, 1984. Specifically, KU's Rate CTAC states that the charge is "subject to annual adjustment" and that the charge "is subject to change by Company upon twenty (20) days' written notice to the Customer and the Public Service Commission." It should be noted, however, that even though these provisions have been included in KU's Rate CTAC since at least January 1, 1984, KU has never exercised its authority under the tariff to increase the cable television attachment charges outside of a general rate case. In fact, the same charge for KU has been in place since at least January 1, 1984. In harmonizing the CTAC rate schedules, the Companies wanted to preserve the ability to update the charge annually as currently provided in the KU's tariff, even though it may not be necessary to exercise this provision.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 12

Responding Witness: Butch Cockerill

Q-12. Refer to P.S.C Electric No. 8, Original Sheet No. 45. A text change is proposed in the Meter Pulse Charge section which changes the language from "$9.00 per month" to "$9.00 per pulse per month." Provide the effect this change will have on customers currently using this service.

A-12. The change in language from "$9.00 per month" to "$9.00 per pulse per month" will have no effect on customer charges. The change in language is to clarify the existing practice of requiring the customer to pay for each pulse received. In situations where the customer has multiple meters or desires a pulse for kVAR as well as kW or kVA, each requires a separate pulse initiator which properly necessitates a separate Meter Pulse Charge.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 13

Responding Witness: William Steven Seelye

Q-13. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 50 through 50.2. For average example customers to be served under the proposed Curtailable Service Rider ("CSR"), one from each current CSR tariff serving customers, provide the effect of all proposed tariff changes on the customers' credits in sufficient detail to show the individual effect of each rate/tariff change as shown on the tariff sheet. Include the effect of choosing Option A or Option B.

A-13. The effect of the proposed tariff changes will depend heavily on customer decisions under the proposed CSR tariff. For example, the effect of adopting the proposed CSR tariff will depend on whether a customer taking service under CSR chooses to curtail its load or to utilize the buy-through option when a non-physical curtailment is requested by the Company. If the customer chooses the buy-through option then the price that the customer pays for power will be determined in accordance with the automatic buy-through price formula set forth in the tariff.

Option A

Under Option A, the customer would contract for a specific amount of firm demand. During a physical curtailment the customer would be required to reduce its total demand to a level at or below the designated firm demand. During a request for curtailment with a buy-through option, the customer could choose to curtail its demand to a level at or below its firm demand or to purchase the power in accordance with the formula for the automatic buy-through price set forth in the tariff. The customer would receive a Curtailable Credit regardless of whether the Company requests a curtailment or not.

The customer will receive a billing credit determined by applying the demand credit set forth in the tariff ($5.10 per kW for Transmission Voltage customers and $5.20 per kW for Primary Voltage customers) to the difference between (i) the customer's maximum 15-minute kW demand measured during the Curtailable Billing Period and (ii) the customer's designated firm demand. During the months of May through September, the Curtailable Billing Period would correspond to the period from 10 A.M. to 10 P.M.; and during all other months the Curtailable Billing Period would correspond to the period from 6 A.M. to 10 P.M.

Therefore, if a primary voltage customer designates a firm demand of 10,000 kW and its maximum 15-minute kW demand is 20,000 kW during the Curtailable Billing Period for a month, then the customer will receive the following billing credit (billing reduction):

Billing Credit = (20,000 kW - 10,000 kW) x $5.20/kW

= $52,000

As mentioned earlier, the customer would receive the billing credit even if the Company does not request that the customer curtail its demand during the month.

The Company is not proposing to change the credit from the level currently set forth in CSR1. Under the proposed CSR tariff the credit will be applied in the same way that it is currently applied in CSR1, CRS2, and CSR3, except that the Curtailable Demand will be determined as the difference between the customer's maximum demand during the Curtailable Billing Period and the customer's firm demand rather than simply the difference between the customer's maximum demand and the customer's firm demand. The reason that the Company is proposing this change is to help ensure that it is not providing a credit for curtailable load that would likely never be called upon or otherwise utilized by the Company.

If the Company requests a physical curtailment during the month, then the customer would be required to reduce its demand to 10,000 kW or less. Under the proposed CSR tariff, the Company could request up to 100 hours of physical curtailment per year. If the Company requests a curtailment with a buy-through option, then the customer could choose either to reduce its demand to 10,000 kW or less, or purchase buy-through power at the Automatic Buy-Through Price. For example, if the customer's average demand during a curtailment lasting 5 hours is 20,000 kW then under a buy-through the customer would purchase 50,000 kWh ([20,000 kW - 10,000 kW] x 5 hours = 50,000 kWh) at the Automatic Buy-Through Price. If the mid-point price for natural gas posted for the day in "Gas Daily" for Dominion – South Point is $4.995 per MMBTU (which is the price posted on March 2, 2010, for the flow-through date of March 3, 2010), the charges that would be incurred for the buy-through power would be as follows:

Buy-Through Cost = 50,000 kWh x $4.995/MMBtu x 0.012000 MMBtu/kWh

= $2,997

In this example, the average price for the buy-through would be $0.05994 per kWh.

Option B

Under Option B, the customer would contract for a specific amount of Curtailable Load. During a physical curtailment the customer would be required to reduce its total demand *by* the designated Curtailable Load. During a request for curtailment with a buy-through option, the customer could choose either to curtail its demand by the designated Curtailable Load or to purchase power at the automatic buy-through price set forth in the tariff.

Under Option B, the customer will receive a billing credit that will be determined by applying the demand credit set forth in the tariff ($5.10 per kW for Transmission Voltage customers and $5.20 per kW for Primary Voltage customers) to the customer's designated Curtailable Load.

Therefore, if a primary voltage customer designates a Curtailable Load of 10,000 kW then the customer will receive the following billing credit for the month:

Billing Credit = 10,000 kW x $5.20/kW

= $52,000

Although it doesn't matter what the customer's maximum demand is during the month for purposesof determining the billing credit, the customer must stand ready at all times to reduce its demand by the Curtailable Load. In this example, the customer would be required to effect a 10,000 kW reduction in its demand whenever the Company requests a physical curtailment. As with Option A, the customer would receive the billing credit even if the Company does not request that the customer curtail its demand during the month.

The buy-through provision would operate in the same manner as illustrated in the example for the hypothetical customer taking service under Option A, except that the buy-through price would be applied to the Curtailable Load multiplied by the number of hours or partial hours for the curtailment. Therefore, if a five hour curtailment is requested and the customer chooses the buy-through option then the buy-through cost would be exactly the same as shown for Option A.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 14

Responding Witness: William Steven Seelye

Q-14. Refer to P.S.C No. 8, Original Sheet No. 60. Provide the effect that changes to the Excess Facilities rider will have on current customers of this tariff.

A-14. See attached.

Louisville Gas and Electric Company
Estimated Effect of Changes to the Excess Facilities Charge

	Current Rate	Proposed Rate
Excess Facilities	$ 176,429	$ 176,429
Applicable Rate	1.62%	1.73%
Monthly Charges	$ 2,858	$ 3,052
Annualized Charges	$ 34,298	$ 36,627
Difference		$ 2,329

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 15

Responding Witnesses: Robert M. Conroy/William Steven Seelye

Q-15. Refer to P.S.C. Electric No. 8, Original Sheet Nos. 76 and 77. Explain why summer peak months were not increased to include the month of May to be consistent with other proposed tariff changes.

A-15. The Company did not propose to modify the pricing periods for the Residential Responsive Pricing Service Rate RRP, Original Sheet No. 76, and General Responsive Pricing Service, GRP, Original Sheet No. 77, because it is a three-year pilot program and subject to further review by the Commission. The Company did not want to change the parameters of the program while it was being reviewed as a pilot. A more appropriate time to address any modification of the rate structure for those rates would be after completion of the pilot.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 16

Responding Witness: Robert M. Conroy

Q-16. Refer to P.S.C No. 8, Original Sheet No. 79.1. This tariff states that customers served under the Low Emission Vehicle ("LEV") service tariff are not eligible for the Budget Payment Plan. Explain why this restriction is included.

A-16. The rate structure of LEV closely follows that of the Residential Responsive Pricing Service, RRP, Original Sheet No. 76. The purpose of those rates is to send a price signal more aligned with the cost of providing service. That price signal would then provide the customer both the flexibility and the incentive to control the customer's billing through controlling consumption. It is counterproductive to send a time sensitive price signal and then average it out over a year so that the customer does not receive that pricing signal.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 17

Responding Witness: Robert M. Conroy

Q-17. Refer to P.S.C No. 8, Original Sheet No. 86.3. State whether the Demand-Side Management ("DSM") Revenues from Lost Sales factors shown on this page would change as a result of a change in base rates. If so, explain why no change is being proposed.

A-17. The Demand-Side Management ("DSM") Revenues from Lost Sales represented on P.S.C No. 8, Original Sheet No. 86.3 will be adjusted down upon the conclusion of this General Rate Case proceeding to exclude the lost sales associated with DSM activities deployed prior to the end of the test year ended October 31, 2009. The Company will follow the procedures outlined in P.S.C No. 8, Original Sheet No. 86 and No. 86.1 in relation to how DSM Recovery Lost Sales (DRLS) are to be calculated. The Company has not proposed to change how these calculations are to be performed, and will file a new DRLS rate upon the conclusion of this proceeding.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 18

Responding Witness: Butch Cockerill

Q-18. Refer to current P.S.C No. 7, Original Sheet No. 101.1 and proposed P.S.C No. 8, Original Sheet No. 101.1, the Monitoring of Customer Usage section. Changes in text have been made from "Company will contact customer" to "Company may contact customer" and from "Company will perform a detailed analysis" to "Company may perform a detailed analysis." Explain the reason for these changes and the effect they will have on customers, and the criteria to be utilized to determine when the customer will be contacted and when a detailed analysis will be performed.

A-18. Although the Commission's regulations require the Company to monitor customers' usage at least once annually, in practice, LG&E monitors consumption every month. Thus, LG&E is requesting to change its tariff language for Monitoring of Customer Usage to better reflect the Company's process for complying with this requirement. Since LG&E's process, as defined below, actually provides a monthly review of each customer's usage, adopting the proposed language change will have no impact on its customers.

In order to comply with this regulation, LG&E has parameters programmed into its Customer Care System (CCS) to detect unusual deviations in a customer's usage. Although the Commission's regulation does not specifically define what may constitute an "unusual deviation in the customer's consumption", the parameters in LG&E's CCS will create a billing exception on an account when there are large variances in the customer's consumption from one month to another or from the same period in the prior year. If the current month's usage is beyond our parameter, a billing exception will be generated from CCS. Once a billing exception is created, the Billing Integrity associate will conduct an audit of the account to determine what actions are required to validate the customer's usage. The changes in the tariff language clarifies that the Company has the flexibility to respond appropriately to detected usage deviations. Not all billing exceptions are billing problems, but can be the result of weather-related swings or changes in the consumption patterns for customers. Thus, the results of the review may range from doing nothing, to re-reading the meter, to contacting the customer for additional information. Thus the criteria used to determine when to contact the customer is dependent upon what caused the billing exception to be generated and the findings of the Billing Integrity associate's audit.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 19

Responding Witness: William Steven Seelye

Q-19. Refer to P.S.C. Gas No. 8, Original Sheet No. 50. Explain why the distribution charges for Commercial Gas Service ("CGS") and Firm Industrial Gas Service ("IGS") have (a) both increased and (b) increased to the same rate while the As-Available Gas Service ("AAGS") distribution charge has remained the same.

A-19. CGS and IGS are rates for firm sales service and AAGS is a rate for non-firm, curtailable service. As shown in the table provided on page 104 of Mr. Seelye's direct testimony, the Company is currently earning a 16.85 percent rate of return for AAGS, whereas the Company is earning a rate of return of 7.01 percent for CGS and a rate of return of 4.36 percent for IGS. Even after considering the effect of increasing CGS and IGS, the rates of return for these two classes are still significantly lower than the rate of return for AAGS. Specifically, the class rates of return at the proposed rates for CGS and IGS are 10.01 percent and 7.12 percent, respectively, whereas the rate of return at the proposed rates for AAGS is 17.01 percent.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 20

Responding Witness: Valerie L. Scott

Q-20. Refer to Tab 39 of LG&E's Application.

a. Confirm that the expenses listed at Tab 39 include all test year charges assigned or allocated to LG&E by affiliates or subsidiaries and that there are no other cost assignments or allocations included in the test year or pro forma expenses from any companies listed on the organization chart included in the response to Item 2 of Commission Staff's First Data Request ("Staff's First Request").

b. Explain the significant decrease in the levels of intercompany charges to LG&E from calendar years 2006 and 2007 to the test year.

c. Provide the following information for charges between LG&E and Kentucky Utilities Company ("KU").

(1) A schedule detailing the costs directly charged to and costs allocated to LG&E from KU. Indicate the LG&E accounts where these costs were originally recorded and whether the costs were associated with Kentucky jurisdictional electric operations only, other jurisdictional electric operations only, or total company electric operations. For costs that are allocated, include a description of the allocation factors utilized.

(2) A schedule detailing the costs directly charged to and costs allocated by LG&E to KU. Indicate the LG&E accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

A-20. a. The expenses listed at Tab 39 include all test year charges assigned or allocated to LG&E by affiliates or subsidiaries and there are no other cost assignments or allocations included in LG&E's test year or pro forma from any other company. Additionally, debt-related interest charges of $25,021,800 were directly paid to Fidelia.

b. The significant decrease in intercompany charges to LG&E during the test year is a result of netting all intercompany billings beginning in August 2007. Prior to August 2007, LG&E would send an intercompany bill to KU and KU would send an intercompany bill to LG&E. Currently all intercompany charges are netted together to produce one intercompany bill each month.

c. (1) See Attached.

(2) See Attached.

For allocation methodologies, refer to the Cost Allocation Manual filed within the Filing Requirements at Tab 39.

Billed to Louisville Gas and Electric Company from Kentucky Utilities
November 1, 2008 to October 31, 2009

LG&E FERC Account	FERC Account Description	Kentucky Jurisdictional Electric Direct	Kentucky Jurisdictional Electric Indirect	Kentucky Jurisdictional Electric Total	Other Electric Direct	Other Electric Indirect	Other Electric Total	Total Electric Direct	Total Electric Indirect	Total Electric Total
107	Construction Work In Progress	20,995,251.27	-	20,995,251.27	3,593,835.91	-	3,593,835.91	24,589,087.18	-	24,589,087.18
108	Accumulated Provision For Depreciation Of Utility Plant	36,981.71	-	36,981.71	5,617.12	-	5,617.12	42,598.83	-	42,598.83
131	Cash	33,911,519.70	-	33,911,519.70	4,966,729.72	-	4,966,729.72	38,878,249.42	-	38,878,249.42
134	Other Special Deposits	(569,684.13)	-	(569,684.13)	(83,436.75)	-	(83,436.75)	(653,120.88)	-	(653,120.88)
142	Customer Accounts Receivable	961.84	-	961.84	278.45	-	278.45	1,240.29	-	1,240.29
143	Other Accounts Receivable	(228,881.38)	-	(228,881.38)	(136.28)	-	(136.28)	(229,017.66)	-	(229,017.66)
151	Fuel Stock	(2,324,678.73)	-	(2,324,678.73)	(357,084.96)	-	(357,084.96)	(2,681,763.69)	-	(2,681,763.69)
154	Plant Materials And Operating Supplies	(94,323.09)	-	(94,323.09)	(14,401.58)	-	(14,401.58)	(108,724.67)	-	(108,724.67)
158	Nuclear Fuel Assemblies And Components - Stock Account	(560.05)	-	(560.05)	(88.28)	-	(88.28)	(648.33)	-	(648.33)
163	Stores Expense Undistributed	25,547.43	-	25,547.43	3,900.67	-	3,900.67	29,448.10	-	29,448.10
183	Preliminary Survey And Investigation Charges	33,979.37	-	33,979.37	4,976.67	-	4,976.67	38,956.04	-	38,956.04
184	Clearing Accounts	(686,872.27)	-	(686,872.27)	(83,192.60)	-	(83,192.60)	(770,064.87)	-	(770,064.87)
186	Miscellaneous Deferred Debits	23,700.68	-	24,395.29	3,732.81	-	3,038.20	27,433.49	-	27,433.49
228.3	Accumulated Provision For Pensions And Benefits	44,259.85	-	44,259.85	5,360.67	-	5,360.67	49,620.52	-	49,620.52
232	Accounts Payable	(42,764,888.98)	-	(42,764,888.98)	(5,179,598.29)	-	(5,179,598.29)	(47,944,487.27)	-	(47,944,487.27)
236	Taxes Accrued	(3,746.47)	-	(3,746.47)	(548.71)	-	(548.71)	(4,295.18)	-	(4,295.18)
242	Miscellaneous Current And Accrued Liabilities	2,299.37	-	2,299.37	286.36	-	286.36	2,585.73	-	2,585.73
253	Other Deferred Credits	(371,400.04)	-	(371,400.04)	(58,546.94)	-	(58,546.94)	(429,946.98)	-	(429,946.98)
408.1	Taxes Other Than Income Taxes, Utility Operating Income	14,042.49	-	14,042.49	1,690.80	-	1,690.80	15,733.29	-	15,733.29
419	Interest And Dividend Income	-	-	-	(518.61)	-	(518.61)	(518.61)	-	(518.61)
426.4	Expenditures For Certain Civic, Political And Related Activities	-	-	-	-	1,371.80	1,371.80	-	1,371.80	1,371.80
426.5	Other Deductions	-	-		91.00	5.67	96.67	91.00	5.67	96.67
430	Interest On Debt To Associated Companies	(36,387.13)	-	(36,387.13)	(4,393.82)	-	(4,393.82)	(40,780.95)		(40,780.95)
447	Sales For Resale	(41,490,837.51)	-	(41,490,837.51)	(6,373,248.07)	-	(6,373,248.07)	(47,864,085.58)		(47,864,085.58)
454	Rent From Electric Property	(12,842.56)	-	(12,842.56)	(1,039.04)	-	(1,039.04)	(13,881.60)		(13,881.60)
456	Other Electric Revenues	(587,298.31)	-	(587,298.31)	(100,169.48)	-	(100,169.48)	(687,467.79)		(687,467.79)
500	Operation Supervision And Engineering	-	2,447.71	2,447.71	-	419.43	419.43	-	2,867.14	2,867.14
501	Fuel	25,119,182.79	1,458.76	25,120,641.56	3,858,461.12	224.08	3,858,685.19	28,977,643.91	1,682.84	28,979,326.75
502	Steam Expenses	388,956.52	161.14	389,117.66	66,650.18	27.61	66,677.79	455,606.70	188.75	455,795.45
506	Miscellaneous Steam Power Expenses	223.26	-	223.26	38.26	-	38.26	261.52	-	261.52
509	Allowances	325.35	-	325.35	55.75	-	55.75	381.10	-	381.10
510	Maintenance Supervision And Engineering	1,595.59	-	1,595.59	273.41	-	273.41	1,869.00	-	1,869.00
511	Maintenance Of Structures	92.35	-	92.35	15.82	-	15.82	108.17	-	108.17
512	Maintenance Of Boiler Plant	10,381.42	-	10,381.42	1,594.65	-	1,594.65	11,976.07	-	11,976.07
513	Maintenance Of Electric Plant	4,878.01	-	4,878.01	749.29	-	749.29	5,627.30	-	5,627.30
514	Maintenance Of Miscellaneous Steam Plant	390.59	-	390.59	66.93	-	66.93	457.52	-	457.52
546	Operation Supervision And Engineering	10,071.69	-	10,071.69	1,634.67	-	1,634.67	11,706.36	-	11,706.36
547	Fuel	567,914.86	-	567,914.86	87,235.22	-	87,235.22	655,150.08	-	655,150.08
548	Generation Expenses	(85,426.07)	-	(85,426.07)	(13,864.90)	-	(13,864.90)	(99,290.97)	-	(99,290.97)
549	Miscellaneous Other Power Generation Expenses	6,162.14	-	6,162.14	1,000.13	-	1,000.13	7,162.27	-	7,162.27
551	Maintenance Supervision And Engineering	13,603.52	-	13,603.52	2,207.89	-	2,207.89	15,811.41	-	15,811.41
552	Maintenance Of Structures	20,884.32	-	20,884.32	3,389.59	-	3,389.59	24,273.91	-	24,273.91
553	Maintenance Of Generating And Electric Equipment	405,865.52	-	405,865.52	65,873.18	-	65,873.18	471,738.70	-	471,738.70
554	Maintenance Of Miscellaneous Other Power Generation Plant	121,333.94	-	121,333.94	19,692.86	-	19,692.86	141,026.80	-	141,026.80
555	Purchased Power	25,518,797.26	-	25,518,797.26	3,919,844.36	-	3,919,844.36	29,438,641.62	-	29,438,641.62
556	System Control And Load Dispatching	-	(992.62)	(992.62)	-	(156.47)	(156.47)	-	(1,149.09)	(1,149.09)
560	Operation Supervision And Engineering	-	523.87	523.87	-	132.44	132.44	-	656.31	656.31
561	Load Dispatching	156.56	-	156.56	39.58	-	39.58	196.14	-	196.14
562	Station Expenses	967.61	-	967.61	244.62	-	244.62	1,212.23	-	1,212.23
563	Overhead Line Expenses	1,312.41	-	1,312.41	331.79	-	331.79	1,644.20	-	1,644.20
565	Transmission Of Electricity By Others	1,540,320.76	-	1,540,320.76	389,415.30	-	389,415.30	1,929,736.06	-	1,929,736.06
566	Miscellaneous Transmission Expenses	2,434.87	207.72	2,642.59	615.57	52.52	668.09	3,050.44	260.24	3,310.68
570	Maintenance Of Station Equipment	2,177.38	-	2,177.38	550.47	-	550.47	2,727.85	-	2,727.85

Billed to Louisville Gas and Electric Company from Kentucky Utilities
November 1, 2008 to October 31, 2009

LG&E FERC Account	FERC Account Description	Kentucky Jurisdictional Electric Direct	Kentucky Jurisdictional Electric Indirect	Kentucky Jurisdictional Electric Total	Other Electric Direct	Other Electric Indirect	Other Electric Total	Total Electric Direct	Total Electric Indirect	Total Electric Total
571	Maintenance Of Overhead Lines	530.46	-	530.46	134.11	-	134.11	664.57	-	664.57
580	Operation Supervision And Engineering	13,634.85	-	13,634.85	835.57	-	835.57	14,470.42	-	14,470.42
582	Station Expenses	5.43	-	5.43	0.46	-	0.46	5.89	-	5.89
583	Overhead Line Expenses	16,349.55	-	16,349.55	1,259.74	-	1,259.74	17,609.29	-	17,609.29
586	Meter Expenses	0.52	-	0.52	0.03	-	0.03	0.55	-	0.55
588	Miscellaneous Distribution Expenses	1,192.61	113.07	1,305.68	73.08	6.93	80.01	1,265.69	120.00	1,385.69
593	Maintenance Of Overhead Lines	69,144.67	-	69,144.67	5,327.63	-	5,327.63	74,472.30	-	74,472.30
595	Maintenance Of Line Transformers	839.68	-	839.68	42.96	-	42.96	882.64	-	882.64
598	Maintenance Of Miscellaneous Distribution Plant	2,379.45	-	2,379.45	145.82	-	145.82	2,525.27	-	2,525.27
818	Compressor Station Expenses	-	-	-	7.46	-	7.46	7.46	-	7.46
874	Mains And Services Expenses	-	-	-	908.58	-	908.58	908.58	-	908.58
875	Measuring And Regulating Station Expenses-General	-	-	-	96.67	-	96.67	96.67	-	96.67
880	Other Expenses	-	-	-	4,557.10	(137.24)	4,419.86	4,557.10	(137.24)	4,419.86
892	Maintenance Of Services	-	-	-	1,209.27	-	1,209.27	1,209.27	-	1,209.27
901	Supervision	690.60	526.38	1,216.98	39.59	30.17	69.76	730.19	556.55	1,286.74
902	Meter Reading Expenses	0.95		0.95	(561.64)	-	(561.64)	(560.69)	-	(560.69)
903	Customer Records And Collection Expenses	6,027.83	5,837.52	11,865.34	345.52	334.61	680.14	6,373.35	6,172.13	12,545.48
908	Customer Assistance Expenses	0.68	-	0.68	-	-	-	0.68	-	0.68
910	Miscellaneous Customer Service And Informational Expenses	6,292.97	-	6,292.97	5.95	-	5.95	6,298.92	-	6,298.92
920	Administrative And General Salaries	390.61	3,233.86	3,624.47	47.31	391.68	438.99	437.92	3,625.54	4,063.46
921	Office Supplies And Expenses	4,190.25	(21,387.15)	(17,196.90)	507.52	(2,590.37)	(2,082.85)	4,697.77	(23,977.52)	(19,279.75)
922	Administrative Expenses Transferred-Cr	214.98	-	214.98	26.04	-	26.04	241.02	-	241.02
923	Outside Services Employed	-	(2,712.02)	(2,712.02)	-	(328.47)	(328.47)	-	(3,040.49)	(3,040.49)
925	Injuries And Damages	66.43	-	66.43	8.05	-	8.05	74.48	-	74.48
926	Employee Pensions And Benefits	50,761.72	-	50,761.72	6,148.16	-	6,148.16	56,909.88	-	56,909.88
930.2	Miscellaneous General Expenses	-	(11.05)	(11.05)	-	(1.14)	(1.14)	-	(12.19)	(12.19)
935	Maintenance Of General Plant	94.99	93,118.99	93,213.99	11.51	11,278.39	11,289.89	106.50	104,397.38	104,503.88
	Total	19,742,249.56	82,526.19	19,824,775.75	4,756,694.38	11,061.63	4,767,756.01	24,498,943.94	93,587.82	24,592,531.76

Billed to Kentucky Utilities by Louisville Gas and Electric
November 1, 2008 to October 31, 2009

LG&E FERC Account	FERC Account Description	Direct	Indirect	Total
107	Construction Work In Progress	(30,007,049.21)	-	(30,007,049.21)
108	Accumulated Provision For Depreciation Of Utility Plant	(6,174.87)	-	(6,174.87)
131	Cash	(26,169,172.42)	-	(26,169,172.42)
134	Other Special Deposits	1,720,184.15	-	1,720,184.15
142	Customer Accounts Receivable	513,310.00	-	513,310.00
143	Other Accounts Receivable	(768,852.54)	-	(768,852.54)
144	Accumulated Provision For Uncollectible Accounts - Credit	686.94	-	686.94
146	Accounts Receivable From Associated Companies	3,211.15	-	3,211.15
151	Fuel Stock	8,418,015.60	-	8,418,015.60
154	Plant Materials And Operating Supplies	269,675.89	-	269,675.89
163	Stores Expense Undistributed	(50,672.48)	-	(50,672.48)
171	Interest And Dividends Receivable	55.58	-	55.58
183	Preliminary Survey And Investigation Charges	(31,249.09)	-	(31,249.09)
184	Clearing Accounts	1,165,204.88	-	1,165,204.88
186	Miscellaneous Deferred Debits	(72,428.68)	-	(72,428.68)
232	Accounts Payable	34,611,550.38	-	34,611,550.38
236	Taxes Accrued	235,733.79	-	235,733.79
242	Miscellaneous Current And Accrued Liabilities	(2,778.32)	-	(2,778.32)
408.1	Taxes Other Than Income Taxes, Utility Operating Income	(20,550.67)	-	(20,550.67)
417	Revenues From Nonutility Operations	(10,003.89)	-	(10,003.89)
419	Interest And Dividend Income	17,753.75	-	17,753.75
426.1	Donations	(1,225.88)	-	(1,225.88)
426.4	Expenditures For Certain Civic, Political And Related Activitie	-	(1,913.08)	(1,913.08)
426.5	Other Deductions	(301.66)	(3.37)	(305.03)
430	Interest On Debt To Associated Companies	(82,964.66)	-	(82,964.66)
447	Sales For Resale	62,213,442.37	-	62,213,442.37
454	Rent From Electric Property	19,434.24	-	19,434.24
456	Other Electric Revenues	798,003.23	-	798,003.23
500	Operation Supervision And Engineering	-	(3,658.55)	(3,658.55)
501	Fuel	(435.37)	(2,062.59)	(2,497.96)
502	Steam Expenses	(1,489.06)	-	(1,489.06)
506	Miscellaneous Steam Power Expenses	(9,214.01)	-	(9,214.01)
510	Maintenance Supervision And Engineering	(1,688.72)	-	(1,688.72)
511	Maintenance Of Structures	(722.34)	-	(722.34)
512	Maintenance Of Boiler Plant	(17,925.97)	-	(17,925.97)
513	Maintenance Of Electric Plant	(1,888.85)	-	(1,888.85)
514	Maintenance Of Miscellaneous Steam Plant	(14,385.81)	-	(14,385.81)
541	Maintenance Supervision And Engineering	(1.09)	-	(1.09)
546	Operation Supervision And Engineering	(19,399.08)	-	(19,399.08)
547	Fuel	(2,060,768.26)	-	(2,060,768.26)
548	Generation Expenses	157,658.64	-	157,658.64
549	Miscellaneous Other Power Generation Expenses	(8,696.17)	-	(8,696.17)
551	Maintenance Supervision And Engineering	(16,532.91)	-	(16,532.91)
552	Maintenance Of Structures	(31,216.41)	-	(31,216.41)
553	Maintenance Of Generating And Electric Equipment	813,047.53	-	813,047.53
554	Maintenance Of Miscellaneous Other Power Generation Plant	(19,995.88)	-	(19,995.88)
555	Purchased Power	(11,162,933.91)	-	(11,162,933.91)

Billed to Kentucky Utilities by Louisville Gas and Electric
November 1, 2008 to October 31, 2009

LG&E FERC Account	FERC Account Description	Direct	Indirect	Total
560	Operation Supervision And Engineering	-	(716.98)	(716.98)
561	Load Dispatching	(155.48)	-	(155.48)
562	Station Expenses	(701.10)	-	(701.10)
563	Overhead Line Expenses	147.72	-	147.72
565	Transmission Of Electricity By Others	(1,282,851.66)	-	(1,282,851.66)
566	Miscellaneous Transmission Expenses	18,135.39	(160.80)	17,974.59
570	Maintenance Of Station Equipment	(3,421.58)	-	(3,421.58)
571	Maintenance Of Overhead Lines	(35,116.12)	-	(35,116.12)
573	Maintenance Of Miscellaneous Transmission Plant	(140.19)	-	(140.19)
580	Operation Supervision And Engineering	(29,850.27)	-	(29,850.27)
583	Overhead Line Expenses	(19,341.13)	-	(19,341.13)
586	Meter Expenses	(286.85)	-	(286.85)
588	Miscellaneous Distribution Expenses	(1,066.75)	-	(1,066.75)
590	Maintenance Supervision And Engineering	(2,007.60)	-	(2,007.60)
592	Maintenance Of Station Equipment	(367.77)	-	(367.77)
593	Maintenance Of Overhead Lines	(51,944.22)	-	(51,944.22)
594	Maintenance Of Underground Lines	(321.61)	-	(321.61)
595	Maintenance Of Line Transformers	833.51	-	833.51
598	Maintenance Of Miscellaneous Distribution Plant	(6,681.71)	-	(6,681.71)
834	Maintenance Of Compressor Station Equipment	(669.60)	-	(669.60)
874	Mains And Services Expenses	(483.36)	-	(483.36)
875	Measuring And Regulating Station Expenses-General	(229.08)	-	(229.08)
880	Other Expenses	(6,383.08)	-	(6,383.08)
886	Maintenance Of Structures And Improvements	(236.91)	-	(236.91)
901	Supervision	(1,054.20)	(697.00)	(1,751.20)
902	Meter Reading Expenses	-	-	-
903	Customer Records And Collection Expenses	(7,441.00)	(5,377.28)	(12,818.28)
905	Miscellaneous Customer Accounts Expenses	(236.91)	-	(236.91)
907	Supervision	-	(0.33)	(0.33)
910	Miscellaneous Customer Service And Informational Expenses	(152,443.08)	-	(152,443.08)
920	Administrative And General Salaries	-	(8,265.70)	(8,265.70)
921	Office Supplies And Expenses	(3,344.12)	22,765.75	19,421.63
923	Outside Services Employed	-	(80.42)	(80.42)
925	Injuries And Damages	(3,511.77)	-	(3,511.77)
926	Employee Pensions And Benefits	(119,460.85)	-	(119,460.85)
935	Maintenance Of General Plant	(747.01)	(144,240.22)	(144,987.23)
		38,654,871.52	(144,410.57)	38,510,460.95

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 21

Responding Witness: Robert M. Conroy

Q-21. Refer to page 7 of the Direct Testimony of Victor A. Staffieri ("Staffieri Testimony"). Provide the calculation of an average residential electric bill at current and proposed rates based on 992 kWh of electricity.

A-21. The calculation of the average residential electric bill at current and proposed rates is shown in the attachment. The data used is contained on page 1 of 15 of Seelye Exhibit 7.

LOUISVILLE GAS AND ELECTRIC COMPANY
Calculations of Proposed Rate Increase
Based on Sales for the 12 months ended October 31, 2009

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Bills	Total KWH	Present Rates	Calculated Revenue at Present Rates	Proposed Rates	Calculated Revenue at Proposed Rates
RESIDENTIAL RATE RS						
Customer Charges	4,131,523		$ 5.00	$ 20,657,615	$ 15.00	$ 61,972,845
All Energy		4,096,604,929	$ 0.067140	275,046,055	$ 0.06610	270,785,586
Minimum Energy				27,453		30,893
				295,731,123		332,789,324
RATE RRP - RESIDENTIAL RESPONSIVE PRICING						
Customer Charges	1,150		$ 10.00	$ 11,500	$ 20.00	$ 23,000
All Energy		820,070	$ 0.046280	37,953	$ 0.04556	37,365
		433,022	$ 0.058590	25,371	$ 0.05768	24,978
		177,903	$ 0.112780	20,064	$ 0.11103	19,753
		6,151	$ 0.307430	1,891	$ 0.30267	1,862
		1,437,146				
Minimum Energy				1,236		1,366
				98,014		108,323
Total Calculated at Base Rates				$ 295,829,137		$ 332,897,647
Correction Factor				0.998350450		0.998350450
Total After Application of Correction Factor				$ 296,317,929		$ 333,447,686
Fuel Clause Billings - proforma for rollin				$ 2,471,419		2,471,419
ECR Billings - proforma for rollin				1,013,224		1,013,224
Adjustment to Reflect Year-End Customers				(1,624,995)		(1,828,613)
Adjustment to Reflect Temperature Normalization				4,284,606		4,218,237
Total				$ 302,462,183		$ 339,321,953
Proposed Increase						**36,859,770**
Percentage Increase						12.19%

Calculation of Average Residential Electric Bill

(1) Customer Charges	4,132,673					
(2) All Energy		4,098,042,075				
(3) Total Revenue				$ 302,462,183		$ 339,321,953
(4) Average Usage	(2) / (1)	992	kWh			
(5) Average Bill	(3) / (1)			$ 73.19		$ 82.11
Average Bill Increase	row (5) [Col (7) - Col (5)]					$ 8.92

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 22

Responding Witness: Butch Cockerill

Q-22. Refer to page 7 of the Staffieri Testimony. Provide the most recent J.D. Power & Associates customer satisfaction survey results for LG&E and its sister company, KU.

A-22. J.D. Power & Associates 2009 Electric Residential Study – Top 5 Ranking Midwest Midsize Utilities:

1. Omaha Public Power District (693)
2. Kentucky Utilities (660)
3. Indianapolis Power & Light (645)
4. Louisville Gas & Electric (635)
5. Wisconsin Public Service (623)

Surveys were conducted online in four waves from July 25, 2008 until May 28, 2009 among 79,552 residential electric utility customers throughout the United States. The 121 electric utility brands surveyed collectively represent more than 92 million households.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 23

Responding Witness: Paul W. Thompson

Q-23. Refer to pages 9 – 10 of the Direct Testimony of Paul W. Thompson ("Thompson Testimony") concerning the fuel and purchase power offsets from Trimble County 2 ("TC2"). Provide the calculations of the amounts of $67 million for TC2's first year of operation and $80 million for 2012.

A-23. Please see the attached schedule, which shows the origin of the $67 million for 2011 and $80 million for 2012. The partial year 2010 is also shown on the schedule.

The calculations were derived by running the production modeling tool PROSYM with and without TC2. The savings with TC2 versus without is from lower fuel costs and less power purchased.

$000's

		Delta due to:				FAC-related Items
		Fuel	Pre-Merger Purchase	Mkt Purchase	Total Delta	FAC-related Items
2010	1	-	-	-	-	-
	2	-	-	-	-	-
	3	-	-	-	-	-
	4	-	-	-	-	-
	5	-	-	-	-	-
	6	1	-	-	1	1
	7	3,882	408	3,646	7,844	7,935
	8	3,096	380	3,922	7,395	7,398
	9	1,563	203	1,548	3,530	3,314
	10	986	315	1,506	3,022	2,807
	11	1,026	71	503	1,572	1,600
	12	6,702	206	2,213	8,901	9,121
	Total	**17,256**	**1,583**	**13,337**	**32,267**	**32,177**
2011	1	3,852	444	1,380	5,893	5,676
	2	3,909	369	2,077	6,420	6,356
	3	3,084	532	2,008	5,792	5,624
	4	3,372	498	2,851	6,770	6,721
	5	2,122	153	1,903	4,516	4,177
	6	2,997	293	1,440	4,785	4,730
	7	4,191	414	3,383	7,938	7,988
	8	4,096	325	2,884	7,283	7,306
	9	1,835	131	1,238	3,416	3,204
	10	734	115	449	1,399	1,297
	11	2,790	532	3,245	6,568	6,567
	12	5,223	410	2,072	7,783	7,705
	Total	**38,205**	**4,216**	**24,931**	**68,564**	**67,352**
2012	1	4,189	544	1,727	6,563	6,460
	2	6,207	473	3,425	9,966	10,105
	3	5,240	572	4,306	9,849	10,118
	4	2,852	567	2,236	5,658	5,655
	5	2,022	346	1,288	3,869	3,656
	6	3,665	376	1,820	5,860	5,861
	7	4,655	406	5,626	10,570	10,686
	8	4,659	428	5,517	10,497	10,604
	9	2,550	447	1,678	4,819	4,676
	10	764	236	830	1,873	1,829
	11	1,021	388	1,670	3,186	3,079
	12	5,087	538	2,279	7,974	7,904
	Total	**42,911**	**5,320**	**32,402**	**80,685**	**80,632**

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 24

Responding Witness: Paul W. Thompson

Q-24. Refer to the discussion on page 10 of the Thompson Testimony concerning the 22.6 percent reserve margin now projected at the time TC2 begins commercial operation and the 19.3 percent reserve margin projected at the time a Certificate of Public Convenience and Necessity was granted by the Commission for the construction of TC2. Provide a schedule showing the calculations of each of these reserve margin percentages.

A-24. Please see the attached schedule.

2010 Data (MW)	PWT Testimony	TC2 CPCN (2005 IRP)	Difference
Peak Load less CSR	6,910	7,383	-473
DSM	-225	-119	-106
Net Load	6,685	7,264	-580
Existing Capability *	7,464	7,549	-85
OVEC	179	179	0
EEI	0	200	-200
OMU	0	191	-191
Total Supply	7,643	8,119	-476
MW Margin w/o TC2	958	854	104
Reservce Margin % w/o TC2	14.3%	11.8%	2.6%
New Capacity	549	549	0
Total Supply	8,192	8,668	-476
Reserve Margin, MW	1,507	1,403	104
Reserve Margin %	**22.6%**	**19.3%**	**3.2%**
Margin Need at 14%	-572	-386	-185

* Difference is explained by the retirement of Tyrone 1 and 2 (58MW) and Waterside 7 and 8 (22MW) as well as the addition of FGD/SCR-related derates.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 25

Responding Witness: Paul W. Thompson

Q-25. Refer to the discussion on page 10 of the Thompson Testimony concerning the reduction in the annual peak load hour as a result of the DSM programs of LG&E and KU. Provide the amount of the peak load reduction for the 2009 summer peak hour for LG&E and for LG&E and KU on a combined basis.

A-25. The 2009 combined KU and LG&E summer peak was set at 6,367MWs on August 10, the hour beginning at 3:00 PM. Each of the various DSM programs contribute to various levels of demand reduction via energy audits, weatherization efforts, new construction standards, or changes in residential or commercial lighting. While the full demand reduction created by these DSM programs is difficult to calculate due to the uncertainty in customer behaviors at the time of peak, the total system load reduction associated with the Direct Load Control program was estimated to be 103MWs during this peak hour. This reduction was created by the deployment of 140,000 load control devices (77,000 LG&E; 63,000 KU) across the Companies' service territory. Each of these devices contributes ~1kW reduction on control events with temperatures above 97 degrees Fahrenheit. The temperature at the time of the 2009 peak was 90 degrees in LG&E and 89 degrees in KU.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 26

Responding Witness: Paul W. Thompson

Q-26. Refer to the discussion of Equivalent Forced Outage Rates ("EFOR") on page 13 of the Thompson Testimony. Mr. Thompson compares LG&E's and KU's test year EFOR rates with the most recent three-year national average.

a. Identify the source of the three-year national average and the three years on which the average of 8.32 percent was based.

b. Provide the three-year averages for LG&E and KU for the same three years identified in response to part a. of this request.

A-26. a. The source of the three year national average of 8.32 percent was the Reliability First Corporation (RFC) region of the North American Electric Reliability Council (NERC) reliability data base for the years 2005-2007. The RFC region is chosen since it is the region that best approximates the E.ON-US fleet of coal-fired units from a size, age, and scrubbing perspective. The average Equivalent Forced Outage Rate (EFOR) provided for the RFC region is based on EFOR for coal-fired units between 100-200 Mw, 200-500 Mw, and 500-1,000 Mw in the RFC region, with an overall weighted average capacity EFOR provided that is based on the mix of the units that E.ON-US has in its fleet relative to the three Mw size ranges.

b. The three-year averages for LG&E and KU for 2005-2007 are 5.7% and 6.0% respectively.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 27

Responding Witness: Paul W. Thompson

Q-27. Refer to the discussion of capacity factor trends on page 13 of the Thompson Testimony. Since 2005, LG&E's and KU's factors are 78 and 66 percent, respectively.

a. Provide the annual capacity factors for LG&E since 2005 as well as its test year capacity factor.

b. Provide a general description of the factors that cause KU's capacity factor average to be less than 85 percent of LG&E's average.

A-27. a. The LG&E steam capacity factors are as follows:

2005	78.3%
2006	78.1%
2007	78.4%
2008	79.4%
Test Year Ended 10/31/09	76.9%
2009	73.8%

b. KU's steam capacity factor has historically been below that of LG&E's factor due to the KU fleet not being nearly as scrubbed for SO_2 as that of LG&E. The non-scrubbed (KU) units have historically burned a lower sulfur coal that over time has been more costly than higher sulfur coal, resulting in the LG&E units generally being dispatched before the KU units. With the addition of the Ghent and Brown scrubbers, along with the large KU ownership percentage of TC2, the capacity factors of KU and LG&E should be much closer to each other in the future.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 28

Responding Witness: Paul W. Thompson

Q-28. Refer to page 15 of the Thompson Testimony, specifically, the discussion of the reserve sharing arrangement entered into effective as of January 1, 2010 with East Kentucky Power Cooperative, Inc. and the Tennessee Valley Authority, under which LG&E and KU must maintain 201 MW of capacity reserves. Provide the term (length) of the arrangement and explain whether the reserve requirement of 201 MW is subject to change over that term.

A-28. The effective date of the Agreement is January 1, 2010 and continues in effect in successive one year periods thereafter. A Party's participation in the Agreement may be terminated during the term by providing a six month prior notice. A Party's participation in the Agreement can also be terminated for other various causes, such as, a party failing to meet any of the standards of performance required under the Agreement.

The Contingency Reserve Requirement (CRR) is subject to change over the term of the Agreement. Events that trigger a change in CRR include changes in: 1.) load ratio share, 2.) Most Severe Single Contingency, 3.) Transmission Reliability Margin (TRM), or 4.) a Party's performance.

LG&E/KU's CRR was 201 MWs on January 1, 2010 and changed to 233 MWs on January 29, 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 29

Responding Witness: Paul W. Thompson

Q-29. Refer to Thompson Exhibit 4, which shows the combined annual energy requirements forecast for LG&E and KU for the period 2010 to 2039. Provide the actual annual combined energy requirements of LG&E and KU for the years 2005 through 2009.

A-29. The energy requirements are listed below.

Energy Requirements (GWh)

Year	KU	LG&E	CC
2005	22,354.35	13,022.25	35,376.60
2006	22,013.63	12,724.27	34,737.90
2007	22,992.57	13,394.66	36,387.23
2008	22,510.71	12,802.24	35,312.94
2009	21,492.30	12,107.40	33,599.70

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 30

Responding Witnesses: Chris Hermann/Valerie L. Scott

Q-30. Refer to the discussion on pages 8 – 13 of the Testimony of Chris Hermann ("Hermann Testimony") regarding the restoration associated with the September 2008 windstorm and the 2009 winter storm. For the $33 million and $56 million, respectively, in restoration costs incurred by LG&E for the 2008 and 2009 storms, provide the following information.

a. The final amounts capitalized and charged to expense.

b. The costs incurred for (1) materials, (2) internal labor, and (3) outside labor.

c. For the outside labor costs, a schedule which identifies each company or entity that performed restoration work, the amount it charged LG&E for its work, and the hours it reported as having worked.

d. Given the circumstances associated with a major storm event, explain how LG&E insures that the amounts it is charged for restoration work performed by third-party contractors are reasonable and/or reflective of the "market" for such work.

A-30. a. See table shown below for total amounts capitalized and charged to expense as of January 31, 2010.

($ in thousands)	Capitalized Amount	Expensed Amount	Total
2008 Wind Storm (1)	7,850	25,082	32,932
2009 Winter Storm (2)	10,006	46,112	56,118
Total	**17,856**	**71,194**	**89,050**

(1) Out of the amount expensed, $23,540 was deferred as a regulatory asset.
(2) Out of the amount expensed, $43,838 was deferred as a regulatory asset.

b. See attachment for cost incurred for materials, internal labor, and outside labor included in the amounts above.

c. Hours worked for outside labor are not readily available. Please see attachment for vendors and amounts charged to LG&E for storm restoration work.

d. The Company reviews invoices prior to payment to ensure amounts billed conform to contract terms and work performed as part of the restoration effort. The Company primarily hires contractors with which current, competitively bid contractual agreements exist and other utilities per mutual aid agreements that are generally based on established wages and equipment rates of the participating companies. In these two extreme events, additional contractors with whom a previous relationship was not established were contracted out of necessity. A general services agreement at market rates was established at that time. The costs varied depending on many factors including distance from the restoration area, union status, regional demand for resources, etc.

2008 Windstorm Costs
($ in Thousands)

Category	Capital	Expense	Total
(1) Materials	1,715	559	2,274
(2) Internal Labor	644	4,203	4,847
(3) Outside Labor	5,372	18,070	23,442

2009 Winter Storm Costs
($ in Thousands)

Category	Capital	Expense	Total
(1) Materials	2,151	669	2,820
(2) Internal Labor	383	3,615	3,998
(3) Outside Labor	7,410	38,748	46,158

Total Costs
($ in Thousands)

Category	Capital	Expense	Total
(1) Materials	3,866	1,228	5,094
(2) Internal Labor	1,027	7,818	8,845
(3) Outside Labor	12,782	56,818	69,600

2008 Wind Storm
Outside Labor Cost

Vendor		Amount
A AND M OIL CO	$	35,064
ABEL CONSTRUCTION COMPANY INC		9,904
ADVANCED UTILITY SERVICE INC		255,121
ALBERT OIL CO INC		28,205
ALLEGHENY POWER		2,124,817
AMEREN UE		785,244
ASPLUNDH TREE EXPERT CO		62,076
B AND B ELECTRIC CO INC		110,738
BARGERSVILLE UTILITIES		5,460
BBC ELECTRICAL SERVICES INC		1,515,113
BIG SANDY RURAL ELECTRIC CO-OP CORP		21,160
BLUEGRASS CENTRAL CONSTRUCTION		148,376
BLUEGRASS ENERGY COOPERATIVE CORPORATION		27,719
BOWLIN GROUP LLC		531,292
BRAY ELECTRIC SERVICES INC		138,361
BROWNSTOWN ELECTRIC SUPPLY CO INC		176,885
C & S H INC		1,562
C E POWER SOLUTIONS LLC		57,743
CITY OF LINTON		2,793
CITY OF WINTER PARK		23,982
CLARK ENERGY COOPERATIVE		7,490
COLOURS 2000		7,226
COMED		1,213,736
CUMBERLAND VALLEY RURAL ELECTRIC		94,668
DAVIS H ELLIOT COMPANY INC		859,030
DELTA SERVICES LLC		41,231
DILLARD SMITH CONSTRUCTION COMPANY		168,645
DIVERSIFIED SERVICES INC		138,178
E AND R INC		665,618
ECKEN TECHNICAL SERVICES		5,884
ELECTRICAL CONSTRUCTION MGMT INC		20,913
EMPIRE DISTRICT ELECTRIC COMPANY		594,271
ENERGY ECONOMICS INC		92,808
ENVIRONMENTAL CONSULTANTS INC (FORESTRY)		24,893
EVANS CONSTRUCTION CO INC		108,602
FALCO ELECTRIC INC		1,655
FISHEL CO		624,502
FLEMING MASON ENERGY		23,597
FRANKFORT CITY LIGHT POWER		28,317
FRANKFORT PLANT BOARD		45,376
GAINESVILLE REGIONAL UTILITIES		246,814
GEORGIA POWER COMPANY		104,296

2008 Wind Storm
Outside Labor Cost

Vendor		Amount
GRAYSON RURAL ELECTRIC COOPERATIVE CORP		1,174
GREGORY ELECTRIC COMPANY INC		127,939
HENKELS AND MCCOY INC		111,856
INTER COUNTY ENERGY COOPERATIVE CORPORATION		19,884
J Y LEGNER ASSOCIATES INC		34,636
JACKSON ENERGY COOPERATIVE CORPORATION		62,383
JEA		628,070
JF ELECTRIC INC		121,026
JPMORGAN CHASE BANK		57,068
JUST ENGINEERING AND INSPECTION SERVICES		159,481
KCPL		157,148
KENTUCKY STATE TREASURER		6,512
LE MYERS		189,911
LINK ELECTRIC CO INC		22,287
LOGANSPORT UTILITIES		28,052
MARINE ELECTRIC CO INC		168,124
MASTERSONS		20,842
MICHELS POWER		128,900
MILLER PIPELINE CORP		297,903
MOORE SECURITY LLC		6,110
NASHVILLE ELECTRICAL SERVICE		564,988
NELSON TREE SERVICE INC		1,007,367
NOLIN RECC		141,764
OFF DUTY POLICE SERVICES INC		71,483
OPS PLUS INC		245,898
PHILLIPS TREE EXPERTS INC		359,665
PIEPERLINE		111,726
PIKE ELECTRIC INC		3,257,170
PRO TURF INC		27,098
R AND K CONTRACTING LLC		29,939
REMEDY INTELLIGENT STAFFING		5,325
ROGERS GROUP INC		4,053
SALT RIVER ELECTRIC		129,717
SCOTTSBURG MUNICIPAL ELECTRIC UTILITY		28,446
SERCO INC		103,082
SOUTHERN CROSS CORP		51,602
SOUTHERN PIPELINE CONST CO		13,522
SUMTER UTILITIES INC		773,256
TODAYS OFFICE PROFESSIONALS		117
TOWNSEND TREE SERVICE COMPANY INC		1,047,800
TRU CHECK INC		31,774
UNITED ELECTRIC CO INC		558,027
UTEC CONSTRUCTION INC		232,148
VECTREN ENERGY DELIVERY		71,164
WESTAR ENERGY INC		334,823
WOLF TREE INC		66,203
WRIGHT TREE SERVICE INC		645,094
YOUNGBLOOD CONSTRUCTION INC		134
TOTAL	**$**	**23,442,056**

2009 Winter Storm
Outside Labor Cost

Vendor	Amount
A AND M OIL CO	$ 750
ABEL CONSTRUCTION COMPANY INC	41,375
ACCU READ SERVICES	51,291
AEROTEK INC	25,871
AETNA BUILDING MAINTENANCE INC	6,270
ALABAMA POWER COMPANY	1,616,057
ALBERT OIL CO INC	51,975
ALLEGHENY POWER	737,592
ASPLUNDH TREE EXPERT CO	54,897
BALTIMORE GAS AND ELECTRIC CO	2,444,652
BOWLIN ENERGY LLC	245,489
BRAY ELECTRIC SERVICES INC	88,087
BROWNSTOWN ELECTRIC SUPPLY CO INC	227,904
C & S H INC	3,486
C E POWER SOLUTIONS LLC	128,639
CARDINAL TOOL SUPPLY INC	2,926
CATERING CAJUN INC	673,528
CITY LIGHTS ELECTRICAL CO INC	1,029,432
COMMERCIAL WORKS	3,275
CONNECTICUT LIGHT AND POWER CO	1,981,711
COXS CONTRACT DOZER WORK	600
COY LANDSCAPING AND GRADING INC	246
CW WRIGHT CONSTRUCTION CO INC	1,148,422
DAVIS ELECTRONICS COMPANY INC	1,583
DAVIS H ELLIOT COMPANY INC	520,047
DAYTON POWER AND LIGHT CO	293,984
DELTA SERVICES LLC	167,197
DESIGN COLLABORATIVE INC	350
EAST KENTUCKY POWER COOPERATIVE INC	3,634
ECKEN TECHNICAL SERVICES	9,223
EMERGENCY DISASTER SERVICES	2,152,649
ENERGY ECONOMICS INC	49,647
ENTERGY GULF STATES LA LLC	6,379
ENTERGY LOUISIANA LLC	13,819
ENTERGY NEW ORLEANS INC	7,495
ENVIRONMENTAL CONSULTANTS INC (FORESTRY)	36,782
ERMCO	20,160
ERTEL CONSTRUCTION INC	1,381,910
EVANS CONSTRUCTION CO INC	68,959
EXACTER INC	46,000
FIRST ENERGY	1,455,781
FISHEL CO	875,418
GEORGIA POWER COMPANY	5,344,328
GREGORY ELECTRIC COMPANY INC	502,779
HAYNES ELECTRIC UTILITY CORPORATION	467,380
HENDERSON SERVICES LLC	31,186
HENKELS AND MCCOY INC	645,651
IRBY CONSTRUCTION CO	3,647
J Y LEGNER ASSOCIATES INC	108,040
JF ELECTRIC INC	9,706
JPMORGAN CHASE BANK	430
JUST ENGINEERING AND INSPECTION SERVICES	111,891
KENTUCKY STATE TREASURER	101,271

2009 Winter Storm
Outside Labor Cost

Vendor	Amount
MCJUNKIN RED MAN CORPORATION	417
MEADE ELECTRIC CO INC	491,566
MILLER PIPELINE CORP	533,076
MOORE SECURITY LLC	19,976
NELSON TREE SERVICE INC	700,978
NIXON POWER SERVICES	1,465
OFF DUTY POLICE SERVICES INC	91,166
OPS PLUS INC	272,464
PHILLIPS TREE EXPERTS INC	150,974
PIKE ELECTRIC INC	4,562,987
PRO TURF INC	23,586
PROGRESS ENERGY CAROLINAS INC	1,563,214
PS ENERGY GROUP INC	19,166
PUBLIC SERVICE OF NEW HAMPSHIRE	454,462
R AND K CONTRACTING LLC	42,250
RUMPKE OF KENTUCKY INC	717
SERCO INC	268,224
SOLOMON CORP	22,500
SOUTHERN CROSS CORP	24,223
SOUTHERN PIPELINE CONST CO	100,212
SPE UTILITY CONTRACTORS LLC	2,836,479
STEVES TOWER SERVICE INC	9,891
STOLL CONSTRUCTION AND PAVING CO INC	56
SUMTER UTILITIES INC	2,507,454
TAMPLIN & CO	1,024
THOMPSON ELECTRIC INC	928,000
TODAYS OFFICE PROFESSIONALS	57,683
TOWELS AND MORE SOLUTIONS INC	4,100
TOWNSEND TREE SERVICE COMPANY INC	481,870
TRANSFORMER DECOMMISSIONING LCC	1,218
TRU CHECK INC	51,893
UC SYNERGETIC INC	591,744
UNITED ELECTRIC CO INC	678,764
UTEC CONSTRUCTION INC	374,911
UTILITY LINES CONSTRUCTION SERVICES INC	78,144
VENTOURUS LTD	21,620
WASTE MANAGEMENT OF KENTUCKY LLC	11,700
WESTERN MASSACHUSETTS ELECTRIC CO	382,976
WILLIAMS ELECTRIC COMPANY	345,491
WOLF TREE INC	201,142
WRIGHT TREE SERVICE INC	856,790
XTREME POWERLINE CONSTRUCTION INC	1,389,154
TOTAL	**$ 46,157,528**

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 31

Responding Witness: Chris Hermann

Q-31. Refer to page 16 of the Hermann Testimony, specifically, the discussion of the Customer Care Solution ("CCS") system.

a. The testimony indicates that the CCS system was fully implemented in April 2009. Mr. Hermann states that the investment in CCS was "[a]bout $83 million as of October 31, 2009." Provide the level of investment made since April 2009 and explain why additional investment was necessary after the system was fully implemented.

b. If additional investment has been made since October 31, 2009, provide the amount and explain why further investment was needed more than six months after the system was fully implemented.

c. Provide the name of the software installed in the CCS system, the vendor from whom the software was purchased, and a description of the process that LG&E and KU undertook in making their selection of software and vendor.

A-31. a. The total level of investment by the Companies since April 2009 is approximately $4 million, which is included in the "about $83 million" stated in Mr. Hermann's testimony. This represents payments to consulting vendors for true-up of final months worked; initial support and issue resolution, consistent with other IT implementations; knowledge transfer and the creation of a CIS Archive Database system for historical data.

b. The original CCS investment project has been closed, and no additional investment made since October 31, 2009. New projects have been opened to incorporate additional functionalities with only very minor amounts expended since February 1, 2010.

c. The software installed is SAP Industry Solution – Utilities, Ventyx Service Suite and Neptune Field Net. The SAP software is licensed through an agreement between E.ON AG and SAP AG. The other two products were purchased from the named vendors. E.ON U.S. engaged Accenture to lead in the analysis of the leading customer systems deployed in the North American utility market. The options identified for review were SAP's Customer Care and Service solution (CCS) and SPL WorldGroup's Customer Care and Billing solution (CC&B). In an analysis of the options, SAP outperformed SPL in the evaluation. Additionally, SAP's presence in the US market was growing rapidly and was being chosen by most large utilities planning to replace their CIS. SAP had also recently been ranked #1 in the Utilipoint International CIS Survey for large investor-owned utilities.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 32

Responding Witness: Valerie L. Scott/William Steven Seelye

Q-32. Refer to Exhibit 1, Reference Schedule 1.00, of the Testimony of S. Bradford Rives ("Rives Testimony"), which shows the adjustment to unbilled revenue. The Uniform System of Accounts ("USoA") for electric utilities provides, at the utility's election, for recording unbilled revenues in Account 173, Accrued Utility Revenues. If a utility records unbilled revenue, the USoA requires it to also record unbilled expenses.

a. Explain why LG&E did not make an adjustment to unbilled expenses in conjunction with the adjustment to unbilled revenues.

b. If LG&E did not record unbilled expenses, explain why.

c. Describe LG&E's accounting for revenues and the cost of fuel for the production of power. Specifically, address whether there is a mismatch of revenues and expenses in its general ledger after LG&E records unbilled revenue.

A-32. a. The Company has historically removed the unbilled revenues in the calculation of rates as approved in KU's last base rate case, Case No. 2008-00251 as well as Case No. 2003-00434 and LG&E's last base rate case, Case No. 2008-00252, as well as Case No. 2003-00433, Case No. 2000-080, and Case No. 90-158. Accrued expenses were not removed in any of these cases. In its Order in Case No. 2003-00433, the Commission recognized that the revenues eliminated by LG&E's adjustment included the recovery of environmental surcharge, fuel clause, and demand-side management costs that are removed from test year operating results through various other adjustments. In that case, as in this one, the Company has proposed adjustments for those and other factors that impact the calculation of unbilled revenues, such as changes in the number of customers, to properly normalize for those factors. In its Order, the Commission recognized that any mismatch is adequately mitigated by the various normalization adjustments included in the Company application. Since the Company made similar adjustments in this case and such adjustments are consistent with the Commission's previous orders, the Company did not propose to remove unbilled expenses from test year operations following the removal of the unbilled revenues.

b. The Company did not accrue any "unbilled expenses" in concurrence with recording unbilled revenues. However, the Company follows accrual-basis accounting and accordingly records liabilities for all goods and services received in each accounting period. Using this accrual-basis method, each 12-month period contains 12 months worth of expenses.

c. For book purposes all revenues and expenses, including unbilled revenues and costs of fuel, are accrued in the month revenues are earned and expenses are incurred. This accrual process results in recording a net unbilled base rate revenue in the Company's books. By including the net unbilled base rate revenue in the test period, a better matching of the test year's revenue with the twelve months of expenses booked in that period is achieved. However, the objective of this base rate case is to set rates for a future period. Since unbilled revenues are not estimated for each rate class, calculating the billing determinants based on total (billed plus unbilled) revenue, is not possible. Thus, the billing determinants used to develop the proposed electric rates must be based on the actual as-billed data, necessitating the unbilled adjustment. This sets base rates at the appropriate going forward level.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 33

Responding Witness: Robert M. Conroy

Q-33. Refer to Exhibit 1, Reference Schedule 1.07, of the Rives Testimony and pages 5 – 6 of the Testimony of Robert M. Conroy ("Conroy Testimony").

a. The text on page 6 of the Conroy Testimony states that "LG&E performed the adjustment in a manner generally consistent with the methodology prescribed by the Commission's Order on rehearing in Case No. 98-426, . . . however, total off-system sales revenues, inclusive of Intercompany sales, are used in the calculation." Identify and describe all aspects of the proposed adjustment that cause it to be "generally consistent" rather than "entirely consistent" with the methodology previously prescribed by the Commission.

b. Reference Schedule 1.07 uses an average environmental surcharge factor of 1.20 percent to calculate the off-system sales environmental cost. Explain whether this is a "simple average" of the surcharge factors in column 2 of the schedule or a "weighted average" derived by multiplying the monthly amounts in column 1 by the factors in column 2, summing the results, and dividing that sum by the test year total in column 1.

c. If the calculation of the adjustment is based on the "simple average" of the monthly surcharge factors in column 2 of the schedule, explain why this was done and provide a revised version of the calculation using the weighted average approach described above.

A-33. a. Reference Schedule 1.07 calculates the adjustment to off-system sales revenues to recognize environmental costs associated with those sales. The adjustment is calculated using total off-system sales revenues, in contrast with the methodology adopted by the Commission in Case No. 98-426, where intercompany revenues were excluded from off-system sales revenues.

In Case No. 2003-00433, LG&E revised its Rives Exhibit 1, Reference Schedule 1.05 to appropriately include intercompany revenues in the determination of the adjustment to off-system sales revenues. This revised adjustment was explained in LG&E's supplemental response to Question No. 69 of the Initial Data Request of the Kentucky Industrial Utilities Customers, in response to Question No. 53 of the

Supplemental Data Request of the Attorney General, and on pages 37 and 38 of Mr. Seelye's rebuttal testimony.

In its June 30, 2004 Order in that case, the Commission found the revised adjustment to be reasonable and accepted it, as stated in general terms on pages 24 and 25, and specifically on page 2 of Appendix F. Therefore, LG&E's adjustment on Schedule 1.07 is "generally consistent" with the Commission's Order in Case 98-426 and "entirely consistent" with the Commission's Order in Case No. 2003-00433. When preparing this same adjustment in LG&E's prior rate case, Case No. 2008-00252, the Companies inadvertently utilized the methodology presented in the original filing of in Case No. 2003-00433 instead of the revised version from Mr. Seelye's rebuttal testimony. Because Case No. 2008-00252 was ultimately settled, the issue was not addressed in that case.

Please see the attached copies of the relevant portions of the documents referenced in this response.

b. The average environmental surcharge factor of 1.20 percent on Reference Schedule 1.07 is a simple average of the surcharge factors in column 2.

c. The simple average is consistent with the method adopted by the Commission in Case No. 98-426, and has been used consistently by LG&E in all base rate proceedings since that time. See the attachment to part c of this response for the requested calculation.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2003-00433

Supplemental Response to First Data Request of the KIUC Dated February 3, 2004
Filed – February 27, 2004

Question No. 69

Responding Witness: Michael S. Beer / *W. Steven Seelye*

Q-69. Refer to Rives Exhibit 1 Schedule 1.05. Please indicate whether the off-system sales revenues used in the actual computation of the Companies' ECR tariff rates also exclude intercompany off-system sales revenues and are consistent with the Companies' computations in column 3 of this schedule. If the Companies' off-system sales revenues used in the actual ECR tariff rates do not exclude intercompany sales revenues, then please explain why the Companies excluded these revenues on this schedule.

A-69. The computation of the Company's ECR monthly billing factors uses total Company revenues to determine the retail jurisdictional percent of ECR recovery. Consistent with the Commission's Order in Case No. 2000-105, total Company revenues include all off-system sales revenues other than brokered sales.

The determination of the adjustment of off-system sales revenue for environmental surcharge costs is consistent with the Commission Order in Case No. 98-426.

The purpose of the adjustment shown in Rives Exhibit 1, Schedule 1.05, is to adjust off-system sales margins, which are credited against revenue requirements in the rate case, for the environmental costs allocated to off-system sales in the monthly ECR calculations. Because ECR costs, including those allocated to off-system sales, are removed from the determination of revenue requirements, the margins associated with the Company's off-system sales are overstated by the amount of the environmental costs allocated to off-system sales.

As explained in the original response, the Company was following prior practice in making this adjustment. However, the Company agrees that Off-System Sales Inter-company Revenue should not have been excluded from Off-System Sales Revenue in Rives Exhibit 1, Schedule 1.05, because excluding those revenues does not allow the full amount of environmental costs assigned to off-system sales to be reflected in the adjustment. Attached is a revised schedule showing a calculation of the pro-forma adjustment without removing Inter-company Revenue.

level would be removed from the debt component of capitalization, and the difference between test-year expenses and the rolled-in expenses would be removed from expenses during the test year. Test year revenues would be adjusted to remove ECR revenues net of the rolled-in amounts. If we understand the data requests correctly, this approach would correspond to the methodology suggested in Question 34 to KU and Question 38 to LG&E of the Commisison Staff's second data request dated February 3, 2004, in this proceeding.

Q. Do you have any fundamental problems with either of these alternatives?

A. No. Either of these alternatives would allow the Companies the opportunity to recover their original plan costs, including a fair, just and reasonable return on their investments. Our preference, however, is to terminate the ECR surcharge for the original compliance plans.

(g) Off-System Sales in the ECR and Adjustment for Mismatch in Fuel Cost Recovery

Q. Are the intervenor witnesses being evenhanded about two errors that were made in the off-system sales revenue adjustment for the ECR calculation and in the adjustment for the mismatch in fuel cost recovery for the year ending September 20, 2003?

A. No. In preparing responses to data requests submitted by the Commission Staff, the KIUC and the AG, it came to our attention that there were errors in the off-system sales revenue adjustment for the ECR calculation, Reference Schedule 1.05 of Rives Exhibit 1 and in the adjustment concerning the mismatch in fuel cost recovery for the test year, Reference Schedule 1.01 of Rives Exhibit 1. Even though the errors were fully explained in responses to data requests[1], witnesses for the KIUC and AG ignored these errors in presenting their recommended revenue requirements, apparently because correcting the errors would increase the Companies' revenue requirements.

Q. Please explain the adjustment and the nature of the error relating to the adjustment in the off-system sales revenue for the ECR.

A. In the Companies' environmental surcharge calculations, a portion of the environmental costs incurred is allocated to off-system sales. The Commission determined in approving the Companies' ECRs that it is appropriate to allocate a portion of environmental costs to off-system sales by observing that environmental costs are incurred to make off-system sales just as they are to make retail sales. The purpose of the pro-forma off-system sales revenue adjustment for the ECR calculation (Reference Schedule 1.05) is to adjust off-system sales margins, which are credited against revenue requirements in the rate case, for the environmental costs allocated to off-system sales in the monthly environmental surcharge calculations. This adjustment was approved in Case Nos. 98-426 and 98-474 and recognized in all subsequent ESM filings.

In the original calculation of this adjustment, inter-company revenue was subtracted from total off-system sales revenue to determine the environmental costs for off-system sales that should be subtracted from revenues from off-system sales in this proceeding. When preparing a response to a KIUC data request, we realized that intercompany revenues *should not have been* subtracted from off-system sales revenue. Environmental costs are allocated to intercompany revenue in the monthly environmental surcharge calculations. However, there is no mechanism in place for recovering these

[1] The error was explained in the supplemental responses to question 54 to LG&E and question 69 to KU of the first data request of the KIUC dated February 3, 2004, and filed February 27, 2004. The error was also brought to light in LG&E's response to question 53 of the supplemental data request of the Attorney General dated March 1, 2004.

costs from ratepayers. Although KU pays LG&E (and vice versa) for the cost of the intercompany sales, KU does not pay LG&E for the portion of environmental costs allocated to intercompany sales in the environmental surcharge calculations. These costs are not recovered through either LG&E or KU's ECR mechanism, nor are they recovered through either utility's FAC. Intercompany revenues represent charges paid by one utility for transfers of electric energy to the other. Therefore, unless these environmental costs are subtracted from intercompany revenues in this proceeding, the Companies will be denied the opportunity from ever recovering these legitimately incurred costs. It is thus reasonable that LG&E and KU be allowed to revise Reference Schedule 1.05 of Rives Exhibit 1 to correct for this oversight.

Q. Have you prepared a revised Reference Schedule 1.05?

A. Yes. Revised Reference Schedule 1.05 for LG&E and KU are included as pages 1 and 2 of Seelye Rebuttal Exhibit 2.

Q. Please explain KU's adjustment and nature of the error relating to the mismatch in fuel cost recovery for the test period.

A. As I discussed in my direct testimony, via this adjustment, the mismatch between fuels costs and fuel cost recovery through KU's FAC will be eliminated consistent with Commission practice. An error was detected, however, in PSC 2-15(a), when the Commission Staff noted that the expense amount shown in the proposed adjustment was taken from KU's Form A filing for November, 2003 made on December 16, 2003. In fact, the expense amount included on that Form A for September 2003 was incorrectly listed as $4,269,288, when it adjustment for the ARO asset. In order to be consistent with LG&E's efforts to remove the impact of the adoption of SFAS No. 143, it is necessary to exclude the ARO assets from LG&E's electric capitalization. Such an adjustment is also consistent with previous decisions by the Commission when items are removed from the calculation of rate base. Therefore, the Commission has reduced LG&E's electric capitalization, on a pro rata basis, by $4,585,010.

Based on the findings herein, the Commission has determined that LG&E's test-year-end electric capitalization should be $1,484,965,466. The calculation of the electric capitalization is shown in Appendix E.

REVENUES AND EXPENSES

For the test year, LG&E reported actual net operating income from electric operations of $108,683,393.[2] LG&E proposed a series of adjustments to revenues and expenses to reflect more current and anticipated operating conditions, resulting in an adjusted net operating income from electric operations of $68,010,218.[3] The AG also proposed numerous revenue and expense adjustments, resulting in adjusted net operating income from electric operations of $87,108,000.[4] The Commission finds that 20 of the adjustments, proposed in LG&E's application and accepted by the AG, are reasonable and will be accepted. During the proceeding, LG&E identified and corrected errors in several other adjustments originally proposed in its application. The Commission finds that three of these other adjustments, as corrected by LG&E and

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[2] Rives Direct Testimony, Rives Exhibit 1, page 1 of 3, line 1.

[3] Id., page 3 of 3, line 44.

[4] Henkes Electric Direct Testimony, Schedule RJH-4.

accepted by the AG, are reasonable and they will also be accepted. All of these 23 adjustments are set forth in detail in Appendix F, which is attached hereto.

The Commission makes the following modifications to the remaining proposed adjustments:

Unbilled Revenues

LG&E proposed an adjustment to eliminate the effect of unbilled electric revenues for rate-making purposes. The rationale for such an adjustment is to develop a better match of test-year revenues and expenses, using as-billed revenues for rate-making purposes rather than the revenues recorded on an accrual basis for accounting purposes. LG&E made its adjustment by shifting unbilled revenues for the month immediately preceding the test year into the test year (when they were actually billed) and shifting unbilled revenues for the last month of the test year to the first month after the test year. This has the effect of netting the amount of unbilled revenues at test-year-end and at the beginning of the test year. LG&E's adjustment reduced electric revenues by $1,867,000.

The AG did not oppose LG&E's unbilled revenues adjustment, but he did propose a corresponding electric expense adjustment to reflect the expense side of an adjustment that reduces test-year sales volumes by 4,095,000 Kwh. The AG calculated an expense reduction of $1,042,000 based on the 55.79 percent operating ratio used by LG&E to calculate its customer growth adjustment.

LG&E objected to the AG's expense adjustment. Since the revenues eliminated by LG&E's adjustment included the recovery of environmental surcharge, fuel clause and demand-side management costs that are removed from test-year operating results

APPENDIX F

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00433 DATED

Schedule of Adjustments

The following adjustments were proposed by LG&E in its application, accepted by the AG, and have been found reasonable and accepted by the Commission. The "+" indicates an increase while "-" indicates a decrease.

	Description	Reference Rives Exhibit 1	Change to Revenues	Change to Expenses
1.	Adjust mismatch in fuel recovery.	Sch. 1.01	-$4,406,145	-$2,005,300
2.	Adjust base rates and Fuel Adjustment Clause ("FAC") reflect a full year of FAC roll-in.	Sch. 1.02	+$547,244	0
3.	Adjustment to eliminate environmental surcharge revenues and expenses.	Sch. 1.03	-$11,228,429	-$1,766,344
4.	Eliminate electric brokered sales revenues and expenses.	Sch. 1.06	-$5,389,000	-$7,811,321
5.	Eliminate electric ESM revenues collected.	Sch. 1.07	-$6,974,780	0
6.	Eliminate ESM, environmental surcharge, and FAC in Rate Refund Account 449.	Sch. 1.08	-$7,150,231	0
7.	Eliminate demand-side management revenues and expenses.	Sch. 1.09	-$3,277,501	-$3,280,013
8.	Eliminate advertising expenses pursuant to 807 KAR 5:016.	Sch. 1.15	0	-$62,499
9.	Adjustment to remove One-Utility costs.	Sch. 1.18	0	-$1,061,924
10.	Adjustment for VDT net savings to shareholders.	Sch. 1.20	0	+$5,640,000
11.	Adjust VDT-related revenues and expenses to settlement agreement.	Sch. 1.21	+$44,485	-$224,718
12.	Adjustment for merger savings.	Sch. 1.22	-$2,758,795	+$19,427,401

APPENDIX F (continued)

Description		Reference Rives Exhibit 1	Change to Revenues	Change to Expenses
13.	Adjustment to eliminate LG&E/KU merger amortization expense.	Sch. 1.23	0	-$2,722,005
14.	Adjustment for MISO Schedule 10 credits.	Sch. 1.24	0	+$709,577
15.	Adjust for cumulative effect of accounting change. [AG withdrew objection to adjustment; AG Post-Hearing Brief at 12]	Sch. 1.25	0	+$5,280,909
16.	Adjustment to remove E. W. Brown legal expenses.	Sch. 1.27	0	-$2,157,640
17.	Adjust for customer rate switching and customer plant closing.	Sch. 1.28	+$6,445	0
18.	Adjustment for corporate office lease expense.	Sch. 1.29	0	+$1,798,420
19.	Adjust for Cane Run repair refund.	Sch. 1.30	0	+$3,588,000
20.	Adjust for prior income tax true-ups and adjustments.	Sch. 1.38	0	-$58,593

The following adjustments were proposed in the application and later revised by LG&E, accepted by the AG, and have been found reasonable and accepted by the Commission. The "+" indicates an increase while "-" indicates a decrease.

Description		Revision Reference	Change to Revenues	Change to Expenses
1.	Adjust base rate revenues to reflect a full year of the environmental surcharge roll-in. [Rives Ex. 1, Sch. 1.04]	PSC 3-35	+$717,788	0
2.	Adjust off-system sales revenues for the environmental surcharge calculations. [Rives Ex. 1, Sch. 1.05]	Seelye Rebuttal Ex. 2	-$2,925,817	0
3.	Adjustment to reflect amortization of ESM audit expenses. [Rives Ex. 1, Sch. 1.17]	Scott Rebuttal Ex. 5	0	+$63,933

Exhibit 1
Reference Schedule 1.07
Sponsoring Witness: Conroy

LOUISVILLE GAS AND ELECTRIC COMPANY

Off-System Sales Revenue Adjustment for the ECR Calculation
For the Twelve Months Ended October 31, 2009

	Electric			
	(1)	(2)	(3)	(4)
	LG&E Off-System Sales Revenue	Monthly Environmental Surcharge Factor (1)	Weighted Avg Environmental Surcharge Factor	Off-System Sales Environmental Cost (Col. 1 * 3)
Nov-08	$ 34,409,141	0.66%	1.10%	$ 378,952
Dec-08	25,147,168	0.67%	1.10%	276,949
Jan-09	16,906,124	0.73%	1.10%	186,189
Feb-09	13,111,973	1.32%	1.10%	144,404
Mar-09	14,156,392	1.71%	1.10%	155,906
Apr-09	11,572,181	2.17%	1.10%	127,446
May-09	14,535,213	1.68%	1.10%	160,078
Jun-09	7,917,583	1.08%	1.10%	87,197
Jul-09	7,698,609	0.47%	1.10%	84,786
Aug-09	6,731,611	1.06%	1.10%	74,136
Sep-09	7,998,118	1.54%	1.10%	88,084
Oct-09	9,284,929	1.30%	1.10%	102,256
Total	$ 169,469,042			$ 1,866,383
Weighted Avg		1.10%		
Adjustment				$ (1,866,383)

(1) ES Form 1.00

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 34

Responding Witness: Robert M. Conroy/Shannon L. Charnas

Q-34. Refer to Exhibit 1, Reference Schedule 1.10, of the Rives Testimony and page 6 of the Conroy Testimony regarding the adjustment to eliminate DSM revenues and expenses.

a. Provide a schedule of the test year DSM expenses which identifies the amounts incurred for materials, customer rebates/incentives, outside (contract) labor, and internal labor costs.

b. Provide a detailed description of how internal labor costs are charged or allocated to specific DSM programs.

A-34. a. See attachment. In preparing the response to this data request, the Company determined that the DSM expenses did not include certain related burden expenses. The Company will supplement this response and revise reference schedules, as necessary, in the normal course of providing updates throughout this proceeding.

b. Labor is direct charged for all DSM programs. Only employees directly working on specific DSM programs charge their time to each individual program.

Louisville Gas and Electric Company

Case No. 2009-00549
Summary of Total Company DSM Expenses
Test Year ending October 31, 2009

Month	Materials	Customer Rebates/Incentives	Outside (Contract) Labor	Internal Labor
November 2008	$20,337	($1,230)	$79,417	$38,370
December 2008	185,138	90,956	1,082,816	39,068
January 2009	541	(1,335)	96,406	46,985
February 2009	3,678	(1,970)	86,944	51,006
March 2009	9,441	(7,737)	1,349,077	90,102
April 2009	46,818	-	356,736	53,490
May 2009	16,754	6,182	588,955	(69,723)
June 2009	1,208	284,612	193,657	52,838
July 2009	20,596	292,905	533,149	57,553
August 2009	1,576	284,156	1,354,674	63,679
September 2009	21,149	285,866	328,915	68,867
October 2009	130,224	40,894	542,940	69,658

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 35

Responding Witness: William Steven Seelye

Q-35. Refer to Exhibit 1, Reference Schedule 1.11 of the Rives Testimony and pages 60 – 74 of the Testimony of William Steven Seelye ("Seelye Testimony") concerning the proposed electric temperature normalization adjustment.

a. Provide a list of all instances, by utility name, case number and jurisdiction, where Mr. Seelye has proposed and a commission has accepted the exact method of analysis used in this case to develop a temperature normalization adjustment for an electric utility.

b. From the list provided in response to part a. of this request, provide copies of two recent commission final orders approving the temperature normalization method used by Mr. Seelye.

c. Provide a list of all instances, by utility name, case number, and jurisdiction, where Mr. Seelye has proposed and a commission has rejected the exact method of analysis used in this case to develop a temperature normalization adjustment for an electric utility.

d. From the list provided in response to part c. of this request, provide copies of two recent commission final orders denying the temperature normalization method used by Mr. Seelye.

A-35. a. Mr. Seelye has not proposed this same methodology in any other proceeding.

b. - d. Not applicable. Please see response to subpart a.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 36

Responding Witness: William Steven Seelye

Q-36. Compare and contrast, in full detail, the method used by Mr. Seelye to develop the weather normalization adjustment discussed in his testimony to the methods used by LG&E to weather normalize revenues and expenses when developing annual budgets and forecasts.

A-36. The temperature normalization methodology used to prepare annual budgets is very similar to methodology used to calculate the temperature normalization adjustment in the rate case. In both cases, regression coefficients are calculated by month and by rate class. However, there are two significant differences between the two methodologies.

First, because the purpose of the budgeting process is to project sales out into the future, in preparing the budget the Company performs a regression analysis using time-series data rather than test-year sales and weather data. In other words, because the purpose of preparing a budget is to project sales out into the future, in addition to normalizing for weather the Company also performs the regression analysis in order to capture trends in kWh sales. Specifically, for developing budget projections, the regression coefficients by class and by month are calculated using time series data for a ten-year period. In the temperature normalization methodology used in the rate case, daily HDD or CDD coefficients are estimated by regressing daily energy (KWh) against daily degree days for each month during the test year.

Second, in preparing the budget, kWh sales are projected assuming normal temperatures. In calculating the temperature normalization for the rate case, heating or cooling degree days for a particular month must not only be different from normal but must also fall outside a specified bandwidth. The specified bandwidth is plus or minus 1 standard deviation from normal. Therefore, if the degree days for the month falls within the 1 standard deviation bandwidth, no adjustment is made. Statistically, 68 percent of the time the weather in any given month will fall within the 1 standard deviation bandwidth. Only if degree days for a month is outside of a bandwidth will an adjustment be made. If the monthly degree days fall outside of the bandwidth the difference between actual degree days and the 1 standard deviation limit is multiplied by the coefficient. This approach was specifically developed to address concerns expressed the Commission in previous Orders about the need for any electric temperature normalization adjustment to be determined on the basis of a bandwidth around normal temperatures.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 37

Responding Witness: William Steven Seelye

Q-37. Refer to Exhibit 1, Reference Schedule 1.11, of the Rives Testimony, pages 66 and 70 of the Seelye Testimony, and Seelye Exhibits 15 and 16.

a. Page 66 of the Seelye Testimony discusses the months for which temperature adjustments are proposed (March, July, and October 2009). The data provided in Seelye Exhibit 15 appears to include October as a cooling month, even though there are 5.5 times more Heating Degree Days ("HDD") than Cooling Degree Days ("CDD"). Explain why October is temperature normalized based on cooling load as opposed to heating load.

b. On page 70 of the testimony, Mr. Seelye explains that R-Square is used to measure how much of the variation in the response variable is explained by the regression model and says he considers an R-Square above 0.60 as being adequate. Explain whether this means that, if the R-Square is below 0.60, insufficient variation in usage is explained by temperature. If yes, explain why October residential usage is temperature-adjusted, when page 1 of Seelye Exhibit 16 shows its R-Square as 0.580.

c. Confirm that the months shown in Seelye Exhibit 15 are November and December 2008 and January through October 2009, and that these months do not represent a calendar year.

d. Explain whether the calculations are based on calendar month or billing cycle average and actual HDD and CDD and provide the source of the average and actual HDD and CDD shown on Exhibit 15.

A-37. a. October and April are shoulder months with both heating and cooling characteristics. In order to avoid the use of a multivariable approach which includes variables for both heating and cooling degree days, the Company made the simplifying modeling assumption of classifying these two months as either a "cooling month" or a "heating month" based on a judgment about the weather patterns and system demands for the month being driven more by cooling degree days or heating degree days.

b. A R-Square of 0.580 should be considered "borderline". October was not rejected because it was approximately equal to 0.60. In contrast to the methodology proposed in the last rate case, in determining the temperature normalization adjustment submitted in this proceeding, a monthly model was not rejected if the R-Square happened to fall below 0.60.

c. Correct. The months shown in the analysis are for the test year, not a calendar year.

d. Because daily load research data is utilized in the model, the calculations are based on calendar month heating and cooling degree days. The source of the degree day data is the National Oceanic and Atmospheric Administration.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 38

Responding Witness: Shannon L. Charnas

Q-38. Refer to Exhibit 1, Reference Schedule 1.15, of the Rives Testimony and page 3 of the Testimony of Shannon L. Charnas ("Charnas Testimony") concerning the proposed depreciation adjustment.

a. Provide the workpapers, spreadsheets, etc. showing the derivation of the annualized direct depreciation expense under current rates shown on line 1.

b. Provide the workpapers, spreadsheets, etc. showing the derivation of each of the amounts on lines 2 through 7 which adjust the amount on line 1 to arrive at the total annualized depreciation expense shown on line 8.

A-38. a. See attached.

b. See attached.

Property Group		Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
ELECTRIC PLANT				
Intangible Plant		$ 2,340	0.00%	$ -
Steam Production Plant				
310.20	Land	$ 6,302,990	0.00%	$ -
311.00	Structures and Improvements			
	0112 Cane Run Unit 1	4,233,240	0.00%	-
	0121 Cane Run Unit 2	2,102,422	0.00%	-
	0131 Cane Run Unit 3	3,536,934	0.00%	-
	0141 Cane Run Unit 4	3,824,225	1.14%	43,596
	0142 Cane Run Unit 4 Scrubber	760,360	0.95%	7,223
	0151 Cane Run Unit 5	6,168,095	1.92%	118,427
	0152 Cane Run Unit 5 Scrubber	1,696,435	1.56%	26,464
	0161 Cane Run Unit 6	21,589,407	2.13%	459,854
	0162 Cane Run Unit 6 Scrubber	2,004,302	2.04%	40,888
	0211 Mill Creek Unit 1	19,405,857	1.64%	318,256
	0212 Mill Creek Unit 1 Scrubber	1,709,711	1.65%	28,210
	0221 Mill Creek Unit 2	10,820,747	1.42%	153,655
	0222 Mill Creek Unit 2 Scrubber	1,393,404	1.81%	25,221
	0231 Mill Creek Unit 3	25,211,864	1.51%	380,699
	0232 Mill Creel Unit 3 Scrubber	362,867	1.47%	5,334
	0241 Mill Creek Unit 4	60,932,530	1.85%	1,127,252
	0242 Mill Creek Unit 4 Scrubber	5,330,552	1.76%	93,818
	0311 Trimble County Unit 1	161,018,732	2.08%	3,349,190
	0312 Trimble County Unit 1 Scrubber	493,910	2.28%	11,261
		$ 332,595,591		$ 6,189,349
311.10	Capital Leased Property			
	0161 Cane Run Unit 6	-	2.13%	-
	0241 Mill Creek Unit 4	-	1.85%	-
		$ -		$ -
312.00	Boiler Plant Equipment			
	0103 Cane Run Locomotive	$ 51,549	2.67%	$ 1,376
	0104 Cane Run Rail Cars	1,501,773	3.14%	47,156
	0112 Cane Run Unit 1	1,053,743	0.00%	-
	0121 Cane Run Unit 2	132,837	0.00%	-
	0131 Cane Run Unit 3	711,483	0.00%	-
	0141 Cane Run Unit 4	31,304,374	5.88%	1,840,697
	0142 Cane Run Unit 4 Scrubber	17,052,990	4.93%	840,712
	0151 Cane Run Unit 5	40,290,053	6.11%	2,461,722
	0152 Cane Run Unit 5 Scrubber	28,112,261	4.07%	1,144,169
	0161 Cane Run Unit 6	53,718,516	5.19%	2,787,991
	0162 Cane Run Unit 6 Scrubber	32,366,294	4.46%	1,443,537
	0203 Mill Creek Locomotive	613,424	2.90%	17,789
	0204 Mill Creek Rail Cars	3,593,112	3.13%	112,464
	0211 Mill Creek Unit 1	53,485,521	4.24%	2,267,786
	0212 Mill Creek Unit 1 Scrubber	43,579,106	4.50%	1,961,060
	0221 Mill Creek Unit 2	48,684,762	4.70%	2,288,184
	0222 Mill Creek Unit 2 Scrubber	35,039,471	4.28%	1,499,689
	0231 Mill Creek Unit 3	142,598,540	3.87%	5,518,564
	0232 Mill Creel Unit 3 Scrubber	63,198,506	3.85%	2,433,142
	0241 Mill Creek Unit 4	245,045,695	3.85%	9,434,259
	0242 Mill Creek Unit 4 Scrubber	114,391,339	3.71%	4,243,919
	0311 Trimble County Unit 1	253,524,516	3.62%	9,177,587
	0312 Trimble County Unit 1 Scrubber	63,624,350	3.62%	2,303,201
		$ 1,273,674,214		$ 51,825,006
314.00	Turbogenerator Units			
	0112 Cane Run Unit 1	$ 106,009	0.00%	$ -
	0121 Cane Run Unit 2	19,999	0.00%	-
	0131 Cane Run Unit 3	581,178	0.00%	-
	0141 Cane Run Unit 4	9,139,239	3.09%	282,402
	0151 Cane Run Unit 5	7,931,773	2.22%	176,085
	0161 Cane Run Unit 6	15,438,220	3.29%	507,917
	0211 Mill Creek Unit 1	14,686,468	2.15%	315,759

	Property Group		Depreciable Plant 10/31/09	Current Rates ASL		Depreciation Under Curr. Rates
	0221 Mill Creek Unit 2		16,787,025	2 46%		412,961
	0231 Mill Creek Unit 3		28,020,376	2 15%		602,438
	0241 Mill Creek Unit 4		42,643,675	2 29%		976,540
	0311 Trimble County Unit 1		59,479,046	2 48%		1,475,080
		$	194,833,007		$	4,749,184
315 00	Accessory Electric Equipment					
	0112 Cane Run Unit 1	$	1,891,013	0 00%	$	-
	0121 Cane Run Unit 2		1,238,068	0 00%		-
	0131 Cane Run Unit 3		766,541	0 00%		-
	0141 Cane Run Unit 4		5,912,354	3 18%		188,013
	0142 Cane Run Unit 4 Scrubber		987,949	0 82%		8,101
	0151 Cane Run Unit 5		7,356,650	2 97%		218,493
	0152 Cane Run Unit 5 Scrubber		2,216,499	1 49%		33,026
	0161 Cane Run Unit 6		11,580,686	2 80%		324,259
	0162 Cane Run Unit 6 Scrubber		2,199,915	1 44%		31,679
	0211 Mill Creek Unit 1		15,249,245	2 75%		419,354
	0212 Mill Creek Unit 1 Scrubber		5,541,695	1 67%		92,546
	0221 Mill Creek Unit 2		7,415,271	2 03%		150,530
	0222 Mill Creek Unit 2 Scrubber		4,505,053	1.69%		76,135
	0231 Mill Creek Unit 3		14,791,641	1 58%		233,708
	0232 Mill Creel Unit 3 Scrubber		2,531,773	1 56%		39,496
	0241 Mill Creek Unit 4		23,871,674	1 75%		417,754
	0242 Mill Creek Unit 4 Scrubber		5,864,979	1 71%		100,291
	0311 Trimble County Unit 1		59,404,297	2.13%		1,265,312
	0312 Trimble County Unit 1 Scrubber		2,736,920	2 12%		58,023
		$	176,062,220		$	3,656,720
316 00	Miscellaneous Plant Equipment					
	0112 Cane Run Unit 1	$	38,746	0.00%	$	-
	0131 Cane Run Unit 3		11,664	0.00%		-
	0141 Cane Run Unit 4		87,249	6 30%		5,497
	0142 Cane Run Unit 4 Scrubber		6,464	2 83%		183
	0151 Cane Run Unit 5		96,972	5 40%		5,237
	0152 Cane Run Unit 5 Scrubber		47,299	2 85%		1,348
	0161 Cane Run Unit 6		2,817,881	4 32%		121,732
	0162 Cane Run Unit 6 Scrubber		31,569	2 75%		868
	0211 Mill Creek Unit 1		696,199	3 22%		22,418
	0221 Mill Creek Unit 2		115,871	2 90%		3,360
	0231 Mill Creek Unit 3		318,625	2 59%		8,252
	0241 Mill Creek Unit 4		6,100,419	3 04%		185,453
	0242 Mill Creek Unit 4 Scrubber		84,653	2 83%		2,396
	0311 Trimble County Unit 1		2,814,502	2 89%		81,339
		$	13,268,115		$	438,083
317.00	Asset Retirement Obligations - Steam *		5,688,169			
	Total Steam	$	2,002,424,306		$	66,858,341
Hydraulic Production Plant - Project 289						
	0451 - Ohio Falls Project 289					
	330 20 Land	$	6	0 00%	$	-
	331.00 Structures and Improvements		4,710,361	0 08%		3,768
	332.00 Reservoirs, Dams & Waterways		11,461,161	3 30%		378,218
	333 00 Water Wheels, Turbines and Generators		19,602,376	0 25%		49,006
	334 00 Accessory Electric Equipment		5,413,702	2 94%		159,163
	335 00 Misc Power Plant Equipment		256,242	2.29%		5,868
	336 00 Roads, Railroads and Bridges		28,797	0 00%		-
		$	41,472,644		$	596,023
Hydraulic Production Plant - Other Than Project 289						
	0450 - Ohio Falls Other Than Project 289					
	330 20 Land	$	1	0.00%	$	-
	331 00 Structures and Improvements		65,796	0 53%		349
	335.00 Misc. Power Plant Equipment		25,458	1 61%		410
	336.00 Roads, Railroads and Bridges		1,134	0.00%		-

Property Group		Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
	337.00 Asset Retirement Obligations - Hydro *	31,163		
		$ 123,552		$ 759
	Total Hydraulic Plant	$ 41,596,196		$ 596,782
Other Production Plant				
340.20	Land	$ 8,133	0.00%	$ -
341.00	Structures and Improvements			
	0171 Cane Run GT 11	103,445	1.34%	1,386
	0410 Zorn and River Road Gas Turbine	8,241	0.61%	50
	0431 Paddys Run Generator 12	64,113	0.60%	385
	0432 Paddys Run Generator 13	2,158,698	3.05%	65,840
	0459 Brown CT 5	858,539	3.05%	26,185
	0460 Brown CT 6	105,978	3.17%	3,359
	0461 Brown CT 7	144,356	3.12%	4,504
	0470 Trimble County CT 5	1,555,655	3.16%	49,159
	0471 Trimble County CT 6	1,467,924	3.14%	46,093
	0474 Trimble County CT 7	2,083,698	3.34%	69,596
	0475 Trimble County CT 8	2,075,527	3.34%	69,323
	0476 Trimble County CT 9	2,137,402	3.34%	71,389
	0477 Trimble County CT 10	2,132,790	3.34%	71,235
		$ 14,896,367		$ 478,504
342.00	Fuel Holders, Producers and Accessories			
	0171 Cane Run GT 11	$ 118,874	3.85%	$ 4,577
	0410 Zorn and River Road Gas Turbine	12,802	0.59%	76
	0430 Paddys Run Generator 11	9,238	0.58%	54
	0431 Paddys Run Generator 12	12,197	0.85%	104
	0432 Paddys Run Generator 13	2,255,338.17	3.08%	69,464
	0459 Brown CT 5	822,581	3.07%	25,253
	0460 Brown CT 6	363,762	2.99%	10,876
	0461 Brown CT 7	102,065	2.99%	3,052
	0470 Trimble County CT 5	97,997	3.17%	3,107
	0471 Trimble County CT 6	97,862	3.17%	3,102
	0473 Trimble County CT Pipeline	1,998,391	3.19%	63,749
	0474 Trimble County CT 7	338,423	3.36%	11,371
	0475 Trimble County CT 8	337,096	3.36%	11,326
	0476 Trimble County CT 9	347,147	3.36%	11,664
	0477 Trimble County CT 10	361,860	3.36%	12,158
		$ 7,275,631		$ 229,933
343.00	Prime Movers			
	0432 Paddys Run Generator 13	$ 20,146,191	3.84%	$ 773,614
	0459 Brown CT 5	14,329,963	3.84%	550,271
	0460 Brown CT 6	19,858,711	3.85%	764,560
	0461 Brown CT 7	20,134,664	3.81%	767,131
	0470 Trimble County CT 5	12,535,260	3.88%	486,368
	0471 Trimble County CT 6	12,426,722	3.88%	482,157
	0474 Trimble County CT 7	13,328,878	3.99%	531,822
	0475 Trimble County CT 8	13,203,913	3.99%	526,836
	0476 Trimble County CT 9	13,114,503	3.99%	523,269
	0477 Trimble County CT 10	13,069,815	3.99%	521,486
		$ 152,148,618		$ 5,927,513
344.00	Generators			
	0171 Cane Run GT 11	$ 2,910,124	5.73%	$ 166,750
	0410 Zorn and River Road Gas Turbine	1,827,581	2.70%	49,345
	0430 Paddys Run Generator 11	1,523,116	2.74%	41,733
	0431 Paddys Run Generator 12	2,991,589	2.63%	78,679
	0432 Paddys Run Generator 13	5,859,858	3.00%	175,796
	0459 Brown CT 5	3,219,205	3.00%	96,576
	0460 Brown CT 6	2,417,995	2.91%	70,364
	0461 Brown CT 7	2,421,079	2.91%	70,453
	0470 Trimble County CT 5	1,539,295	3.09%	47,564
	0471 Trimble County CT 6	1,537,168	3.09%	47,498
	0474 Trimble County CT 7	1,726,824	3.28%	56,640

	Property Group		Depreciable Plant 10/31/09	Current Rates ASL		Depreciation Under Curr. Rates
	0475 Trimble County CT 8		1,717,277	3.28%		56,327
	0476 Trimble County CT 9		1,728,008	3.28%		56,679
	0477 Trimble County CT 10		1,722,674	3.28%		56,504
		$	33,141,793		$	1,070,907
345.00	Accessory Electric Equipment					
	0171 Cane Run GT 11	$	116,627	2.40%	$	2,799
	0410 Zorn and River Road Gas Turbine		40,936	2.31%		946
	0430 Paddys Run Generator 11		68,109	4.27%		2,908
	0431 Paddys Run Generator 12		113,970	3.82%		4,354
	0432 Paddys Run Generator 13		2,778,993	3.32%		92,263
	0459 Brown CT 5		2,575,301	3.32%		85,500
	0460 Brown CT 6		942,589	3.26%		30,728
	0461 Brown CT 7		943,792	3.26%		30,768
	0470 Trimble County CT 5		685,979	3.38%		23,186
	0471 Trimble County CT 6		1,594,892	3.38%		53,907
	0474 Trimble County CT 7		1,843,364	3.52%		64,886
	0475 Trimble County CT 8		1,836,141	3.52%		64,632
	0476 Trimble County CT 9		1,890,840	3.52%		66,558
	0477 Trimble County CT 10		4,358,522	3.52%		153,420
		$	19,790,057		$	676,855
346.00	Miscellaneous Plant Equipment					
	0410 Zorn and River Road Gas Turbine	$	9,488	0.00%	$	-
	0430 Paddys Run Generator 11		9,494	0.00%		-
	0431 Paddys Run Generator 12		1,141	0.00%		-
	0432 Paddys Run Generator 13		1,274,483	2.81%		35,813
	0459 Brown CT 5		2,395,225	2.81%		67,306
	0460 Brown CT 6		22,456	2.86%		642
	0461 Brown CT 7		23,048	2.86%		659
	0470 Trimble County CT 5		14,529	3.22%		468
	0474 Trimble County CT 7		5,205	3.11%		162
	0475 Trimble County CT 8		5,183	3.11%		161
	0476 Trimble County CT 9		5,328	3.12%		166
	0477 Trimble County CT 10		5,316	3.10%		165
		$	3,770,896		$	105,542
347.00	Asset Retirement Obligations Other Production *		218,309			
	Total Other Production	$	231,249,804		$	8,489,254
	Electric Transmission Plant					
	350.2 Transmission Lines Land	$	1,573,049	0.00%	$	-
	350.1 Land Rights		7,781,411	3.92%		305,031
	352.1 Structures & Improvements		5,315,438	1.17%		62,191
	353.1 Station Equipment		115,742,824	1.32%		1,527,805
	354 Towers & Fixtures		25,364,509	1.38%		350,030
	355 Poles & Fixtures		40,187,333	2.95%		1,185,526
	356 Overhead Conductors & Devices		40,074,283	2.52%		1,009,872
	357 Underground Conduit		1,858,713	1.85%		34,386
	358 Underground Conductors & Devices		5,111,200	3.65%		186,559
	359 Asset Retirement Obligations - Transmission *		1,687			
	Total Transmission Plant	$	243,010,446		$	4,661,401
	Electric Distribution Plant					
	360.2 Substation Land	$	3,363,449	0.00%	$	-
	360.2 Substation Land Class A (Plant Held for Future Use)		637,632	0.00%		-
	361 Substation Structures		3,322,163	1.01%		33,554
	362.1 Substation Equipment		85,669,483	1.01%		865,262
	362.1 Substation Equipment - Class A (Plant Held for Future Use)		11,382	0.00%		-
	364 Poles Towers & Fixtures		123,244,378	3.00%		3,697,331
	365 Overhead Conductors &Devices		210,625,593	2.90%		6,108,142
	366 Underground Conduit		69,136,511	1.25%		864,206

Property Group	Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
367 Underground Conductors & Devices	122,052,404	1.76%	2,148,122
368 Line Transformers	127,208,943	2.18%	2,773,155
369.1 Underground Services	6,031,955	2.45%	147,783
369.2 Overhead Services	21,039,201	4.99%	1,049,856
370 Meters	36,346,005	3.79%	1,377,514
373.1 Overhead Street Lighting	25,427,733	2.77%	704,348
373.2 Underground Street Lighting	48,841,079	2.95%	1,440,812
373.4 Street lighting Transformers	87,546	0.00%	-
374 Asset Retirement Obligations - Distribution *	37,674		
Total Distribution Plant	$ 883,083,130		$ 21,210,085
Electric General Plant			
392.1 Transportation Equip Cars & Trucks	$ 9,108,564	20.00%	$ 1,821,713
392.2 Transportation Equip Trailers	609,887	3.62%	22,078
394 Tools, Shop, and Garage Equipment	3,220,314	4.39%	141,372
395 Laboratory Equipment	1,496,151	30.32%	453,633
396.1 Power Operated Equip Hourly Rated	2,335,697	20.0%	467,139
396.2 Power operated Equipment Other	51,068	3.17%	1,619
Total General Plant	$ 16,821,680		$ 2,907,554
TOTAL ELECTRIC PLANT	**$ 3,418,187,902**		**$ 104,723,416**

Less: Amounts not included in Income Statement Depreciation	
0103 Cane Run Locomotive	1,376
0104 Cane Run Rail Cars	47,156
0203 Mill Creek Locomotive	17,789
0204 Mill Creek Rail Cars	112,464
0473 Trimble County CT Pipeline	63,749
392.1 Transportation Equip Cars & Trucks	1,821,713
396.1 Power Operated Equip Hourly Rated	467,139
Less: ECR Depreciation	9,534,576
Total Annualized Depreciation Expense excluding ECR and ARO	**$ 92,657,454**

Property Group	Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
TC2 Joint Use Assets transferred from TC 1 with current rates			
311 Structures and Improvements	$ (46,052,636)	2.08%	$ (957,895)
312 Boiler Plant Equipment	(43,273,655)	3.62%	(1,566,506)
314 Turbine Generator Equipment	(2,868,643)	2.48%	(71,142)
315 Accessory Electric Equipment	(10,727,097)	2.13%	(228,487)
316 Miscellaneous Power Plant Equipment	(68,368)	2.89%	(1,976)
Total	$ (102,990,399)		$ (2,826,006)
TC2 Cooling Tower transferred from TC 1 with proposed rates			
311 Structures and Improvements	$ 22,344	2.10%	$ 469
312 Boiler Plant Equipment	2,947	4.28%	126
314 Turbine Generator Equipment	4,145,219	2.78%	115,237
315 Accessory Electric Equipment	12,050	2.49%	300
Total	$ 4,182,561		$ 116,133
TC2 Assets with proposed rates			
311 Structures and Improvements	$ 7,247,689	2.10%	$ 152,201
312 Boiler Plant Equipment	89,586,183	4.28%	3,834,289
314 Turbine Generator Equipment	15,683,523	2.78%	436,002
315 Accessory Electric Equipment	5,465,470	2.49%	136,090
316 Miscellaneous Power Plant Equipment	831,702	3.00%	24,951
Total	$ 118,814,567		$ 4,583,533
TC2 Tranmission Assets with current rates			
350.1 Land Rights	$ 1,827,054	3.92%	$ 71,621
350.2 Land	825,000	0.00%	-

Property Group	Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
353 1 Station Equipment	4,807,602	1.32%	63,460
354 Towers & Fixtures	17,425,315	1.38%	240,469
355 Poles & Fixtures	3,172,358	2.95%	93,585
356 Overhead Conductors and Devices	4,310,261	2.52%	108,619
357 Underground Conduit	274,404	1.85%	5,076
358 Underground Conductors & Devices	137,202	3.65%	5,008
	$ 32,779,197		$ 587,838
Total Annualized Depreciation Expense excluding ECR and ARO with TC 2 Adjustments			**$ 95,118,951**

Property Group	Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
GAS PLANT			
Intangible Plant	$ 1,187	0.00%	$ -
Underground Storage			
350.1 Land	$ 32,864	0.00%	$ -
350.2 Rights of Way	95,614	0.00%	-
351.2 Compressor Station Structures	2,956,269	1.36%	40,205
351.3 Reg Station Structures	10,880	0.00%	-
351.4 Other Structures	1,432,224	0.92%	13,176
352.40 Well Drilling	2,549,865	0.36%	9,180
352.50 Well Equipment	7,244,255	3.46%	250,651
352.1 Storage Leaseholds & Rights	548,241	0.00%	-
352.2 Reservoirs	400,511	0.00%	-
352.3 Nonrecoverable Natural Gas	9,648,855	0.92%	88,769
Gas Stored Underground Non-Current	2,139,990	0.00%	-
353 Lines	14,157,890	1.68%	237,853
354 Compressor Station Equipment	16,146,531	1.28%	206,676
355 Measuring & Regulating Equipment	386,675	1.22%	4,717
356 Purification Equipment	10,176,223	1.92%	195,383
357 Other Equipment	1,194,204	2.18%	26,034
358 Asset Retirement Obligations - Und Storage *	520,992		
Total Underground Storage	$ 69,642,084		$ 1,072,645
Gas Transmission Plant			
365.2 Rights of Way	$ 220,659	0.27%	$ 596
367 Mains	14,688,363	0.37%	54,347
Total Transmission Plant	14,909,022		54,943
Gas Distribution Plant			
374 Land	$ 59,725	0.00%	$ -
374.2 Land Rights	74,018	0.04%	30
375.1 City Gate Structures	362,858	1.06%	3,846
375.2 Other Distribution Structures	477,929	8.35%	39,907
376 Mains	312,136,562	1.76%	5,493,603
378 Measuring and Reg Equipment	10,004,586	2.53%	253,116
379 Meas & Reg Equipment - City Gate	4,003,923	2.33%	93,291
380 Services	155,556,996	3.60%	5,600,052
381 Meters	34,911,864	3.99%	1,392,983
383 House Regulators	14,106,381	2.22%	313,162
385 Industrial Meas & Reg Station Equip	341,459	0.94%	3,210
387 Other Equipment	51,112	3.48%	1,779
388 Asset Retirement Obligations - Distribution *	30,769		
Total Distribution Plant	$ 532,118,183		$ 13,194,979
Gas General Plant			
392.1 Cars & Trucks	$ 1,864,458	20.00%	$ 372,892
392.2 Trailers	451,395	4.76%	21,486
394 Other Equipment	3,969,952	4.68%	185,794
395 Laboratory Equipment	430,027	36.02%	154,896
396.1 Power Operated Equipment Hourly rated	2,433,201	20.00%	486,640
396.2 Power Operated Equipment Other	47,955	2.69%	1,290
Total General Plant	$ 9,196,988		$ 1,222,998
TOTAL GAS PLANT	**$ 625,867,464**		**$ 15,545,564**

Less: Amounts not included in Income Statement Depreciation	
392.1 Cars & Trucks	(372,892)
396.1 Power Operated Equipment Hourly rated	(486,640)
Total Annualized Depreciation Expense excluding ECR and ARO	**$ 14,686,032**

Property Group		Depreciable Plant 10/31/09	Current Rates ASL		Depreciation Under Curr. Rates
COMMON UTILITY PLANT					
Intangible Plant					
301 Organization	$	83,782	0.00%	$	-
302 Franchises and Consents		4,200	0.00%		-
303 Misc Intangible Plant - Software		21,960,648	20.00%		4,392,130
303 1 CCS Software		40,427,359	10 00%		4,042,736
Total Intangible Plant	$	62,475,990		$	8,434,866
Common General Plant					
389 1 Land	$	1,685,316	0.00%	$	-
389 2 Land Rights		202,095	2.95%		5,962
390 10 Structures and Improvements		56,381,979	3.30%		1,860,605
390 20 Structures and Improvements - Transportation		412,151	25 92%		106,829
390.30 Structures and Improvements - Stores		10,938,275	1 51%		165,168
390.40 Structures and Improvements - Shops		480,158	1 37%		6,578
390.60 Structures and Improvements - Microwave		933,021	2 31%		21,553
391 10 Office Furniture		12,886,518	6 01%		774,480
391 20 Office Equipment		3,740,453	8.78%		328,412
391.30 Computer Equipment - Non PC		22,950,837	21.96%		5,040,004
391.31 Personal Computers		2,411,484	20.68%		498,695
391.40 Security Equipment		2,938,383	6 93%		203,630
392.1 Cars & Trucks		132,229	20 0%		26,446
392 2 Trailers		55,815	2 63%		1,468
393 Stores Equipment		1,220,420	5 60%		68,344
394 Other Equipment		3,859,065	5 17%		199,514
395 Laboratory Equipment		22,282	61 24%		13,645
396 1 Power Operated Equipment Hourly		258,314	20.0%		51,663
396.2 Power Operated Equipment Other		14,147	4 01%		567
397 Communications Equipment		34,906,327	12 00%		4,188,759
397.10 Comm Equip. - Computer		6,403,628	0.90%		57,633
398 00 Miscellaneous Equipment		594,390	34 63%		205,837
399.10 ARO Asset Retirement Obligations - Common *		3,735			
Total General Plant	$	163,431,020		$	13,825,791
TOTAL COMMON UTILITY PLANT	**$**	**225,907,010**		**$**	**22,260,656**

Less: Amounts not included in Income Statement Depreciation		
392.1 Cars & Trucks		(26,446)
396 1 Power Operated Equipment Hourly		(51,663)
Total Annualized Depreciation Expense excluding ECR and ARO	**$**	**22,182,548**
Electric Allocation of Common Depreciation Expense (74%)	**$**	**16,415,085**
Gas Allocation of Common Depreciation Expense (26%)	**$**	**5,767,462**

Property Group	Depreciable Plant 10/31/09	Current Rates ASL	Depreciation Under Curr. Rates
TOTAL PLANT IN SERVICE	$ 4,269,962,377		

* Represents list of ARO assets. Please note these amounts are not included in the calculation

Louisville Gas and Electric Company
Environmental Surcharge Depreciation
Period Ended October 31, 2009

Depreciation per ECR filings:	**All Plans**	**2001 Plan**	**2003 Plan**	**Total 2001 and 2003**	**NET**
November-08	$ 614,094	$ (437,196)	$ (132,902)	$ (570,099)	$ 43,995
December-08	614,094	(437,196)	(132,902)	(570,099)	$ 43,995
January-09	614,094	(437,196)	(132,902)	(570,099)	$ 43,995
February-09	788,980	(604,032)	(136,457)	(740,489)	$ 48,491
March-09	788,980	(604,032)	(136,457)	(740,489)	$ 48,491
April-09	788,980	(604,032)	(136,457)	(740,489)	$ 48,491
May-09	787,113	(604,032)	(136,457)	(740,489)	$ 46,624
June-09	787,405	(604,032)	(136,457)	(740,489)	$ 46,916
July-09	787,405	(604,032)	(136,457)	(740,489)	$ 46,916
August-09	787,405	(604,032)	(136,457)	(740,489)	$ 46,916
September-09	790,976	(604,032)	(136,457)	(740,489)	$ 50,487
October-09	794,548	(604,032)	(136,457)	(740,489)	$ 54,059
Total Depreciation Per ECR Filings	$ 8,944,074	$ (6,747,877)	$ (1,626,820)	$ (8,374,697)	$ 569,377
October-09 Depreciation Amount	$ 794,548	$ (604,032)	$ (136,457)	(740,489)	$ 54,059
12 months per year	12	12	12	12	12
Annualized ECR Depreciation at October 31, 2009	$ 9,534,576	$ (7,248,384)	$ (1,637,484)	$ (8,885,868)	$ 648,708

Louisville Gas and Electric Company
Trimble County Transmission Projects

LG&E Project 118209

Plant Account	Cost
350.2 - Land	$ 825,000
350.1 - Land Rights	1,827,054
353 Station Equipment	4,807,602
354 - Towers and Fixtures	17,425,315
355 - Poles and Fixtures	3,172,358
356 - Overhead Conductors and Devices	4,310,261
357 - Underground Conduit	274,404
358 - Underground Conductors and Devices	137,202
Total	$ 32,779,197

Louisville Gas and Electric Company
Trimble County Unit 2 Costs
Period Ended October 31, 2009

TOTAL TC2 (NET)	117149 - LGE Non ECR	117150 - KU Non ECR	121684 - LGE ECR	121685 - KU ECR	TOTAL	
311 Structure Improvements Total	$ 7,247,689	$ 28,654,127	$ -	$ -	$ 35,901,815	6.10%
312 Boiler Plant Equip Total	89,586,183	354,183,794	42,695,168	183,675,617	670,140,763	75.40%
314 Turbo Gen Equip Total	15,683,523	62,005,651	-	-	77,689,174	13.20%
315 Accessory Elect Equip Total	5,465,470	21,608,030	-	-	27,073,500	4.60%
316 Misc Power Pl Equip Total	831,702	3,288,178	-	-	4,119,880	0.70%
Total	**$ 118,814,567**	**$ 469,739,780**	**$ 42,695,168**	**$ 183,675,617**	**$ 814,925,132**	

Louisville Gas and Electric
Trimble County Joint Use Assets

System	Acct.	Original Cost	KU 48% Ownership
01-05 CONVEYOR ROOM STEEL	131100	$ 5,584,498	$ 2,680,559
02-01 FOUNDATIONS	131100	1,251,835	600,881
02-02 STRUCTURAL STEEL	131100	6,897,724	3,310,908
02-03 ROOF COVERING AND FLASHING	131100	779,414	374,119
02-04 SIDING AND LOUVERS	131100	1,168,743	560,997
02-05 FLOORS AND FLOOR COVERING	131100	2,192,762	1,052,526
02-06 PARTITIONS AND FIRE WALLS	131100	1,399,624	671,820
02-07 PAD FIN. FLOOR AND CURB WALLS	131100	480,022	230,410
02-08 ELEVATORS	131100	628,570	301,714
02-10 BLDG DRAINS AND PLUMBING	131100	518,609	248,932
02-11 FIRE PROTECTION SYSTEM	131100	631,270	303,009
02-12 RESTROOMS, LOCKER AND SHOWER	131100	110,150	52,872
02-13 LIGHTING	131100	1,065,638	511,506
02-14 COMMUNICATIONS	131100	334,423	160,523
02-16 HEATING, A/C AND VENTILATING	131100	2,491,247	1,195,798
02-17 INTERIOR FINISH AND TRIM	131100	353,164	169,519
02-19 SHOP TOOLS, LOCKERS AND LAB	131100	1,079,755	518,283
03-01 STRUCTURAL CONCRETE	131100	4,517,729	2,168,510
03-02 STRUCTURAL STEEL	131100	1,214,373	582,899
03-03 ROOF, SIDING, PART. AND LOUVERS	131100	351,459	168,700
03-05 BRIDGE	131100	3,362,262	1,613,886
03-13 LIGHTING	131100	71,767	34,448
04-01 STR B/AFSH SLAB FOUNDATION	131100	808,574	388,115
04-02 STR B/AFSH FINISHED FLOORS	131100	381,119	182,937
04-03 STR B/AFSH STRUCTURAL STEEL	131100	2,920,472	1,401,827
04-04 STR B/AFSH ROOF	131100	208,737	100,194
04-05 STR B/AFSH SIDING AND LOUVERS	131100	461,289	221,419
04-07 STR B/AFSH BUILDING DRAINS	131100	85,629	41,102
05-01 PERMANENT PLANT ROADS	131100	1,236,791	593,660
05-02 LIME AND COAL RUNOFF BASIN	131100	522,784	250,936
05-05 UNITS AND SERVICE BUILDING	131100	588,731	282,591
05-07 AESTHETIC BERM	131100	261,258	125,404
05-08 CONSTRUCTION BUILDING	131100	273,192	131,132
05-10 BOTTOM ASH POND	131100	9,505,417	4,562,600
05-12 COOLING TOWER AREA	131100	773,503	371,281
05-14 GENERAL SITE WORK	131100	2,299,326	1,103,676
05-15 EQUIPMENT UNLOADING DOCK	131100	2,577,434	1,237,168
06-01 YARD SURFACING	131100	313,220	150,345
06-03 MONITOR WELLS	131100	83,685	40,169
06-06 GUARD FACILITIES	131100	398,986	191,513
06-07 YARD DRAINAGE	131100	199,848	95,927
06-08 DIESEL FIRE PUMP HOUSE	131100	616,928	296,125
06-09 SANITARY SEWERS	131100	220,734	105,952
06-10 FENCES	131100	122,240	58,675
06-11 SHORELINE PROTECTION	131100	1,359,031	652,335
30-10 FUEL OIL STORAGE ELECTRIC	131100	180,835	86,801
30-11 FUEL OIL STORAGE PUMP HOUSE	131100	196,718	94,425
31-01 RIVER BARGE CELLS	131100	5,382,533	2,583,616
31-04 TRANSFER HOUSE	131100	343,973	165,107

Louisville Gas and Electric
Trimble County Joint Use Assets

System	Acct.	Original Cost	KU 48% Ownership
31-05 SAMPLE HOUSE	131100	3,416,415	1,639,879
31-06 COAL DOCK ELECTRICAL SERV	131100	545,222	261,707
31-11 LIGHTING	131100	102,727	49,309
31-12 COMMUNICATIONS	131100	132,832	63,760
32-02 RECLAIM HOPPERS AND R1/R2 TUN	131100	1,209,044	580,341
32-04 CRUSHER HOUSE	131100	2,290,632	1,099,503
32-07 COAL MAINTENANCE BUILDING	131100	628,324	301,595
32-12 LIGHTING	131100	188,525	90,492
32-13 COMMUNICATIONS	131100	58,289	27,979
35-01 RIVER BARGE CELLS	131100	3,841,662	1,843,998
35-05 LIMESTONE TRANSFER BUILDING	131100	933,344	448,005
35-07 DEAD STORAGE PILE	131100	960,090	460,843
35-13 LIGHTING	131100	223,426	107,245
35-14 COMMUNICATIONS	131100	70,961	34,061
35-16 BRIDGE	131100	953,538	457,698
41-01 REACTANT PREP BUILDING	131100	4,424,031	2,123,535
41-12 COMMUNICATIONS	131100	97,754	46,922
50-01 WASTE AND WATER TREATMENT BLD	131100	2,579,718	1,238,265
50-09 CONDUIT AND CABLE TRAY	131100	164,229	78,830
50-16 FIRE PUMP IN STATION WASTE WATER	131100	97,912	46,998
53-20 BOILER ROOM BOOSTER FIRE PUMP	131100	120,714	57,943
53-20 HEATING SYSTEM	131100	2,190,846	1,051,606
BLDG DRAINS AND PLUMBING	131100	604,153	289,993
EXCAVATE & REPAIR BAP DIKE	131100	937,300	449,904
TC - PAVING PROJECT 2002	131100	51,768	24,849
TC CATHODIC PROTECTION SYSTEM	131100	61,165	29,359
TC Crusher House Rebuild, Siding, D	131100	66,946	32,134
TC SERVICE BUILDING CHILLER	131100	183,398	88,031
Total Account 131100		95,942,993	46,052,636
04-13 STRU B/AFSH COAL HANDLING MAT	131200	281,019	134,889
04-12 STRU B/AFSH COAL EQUIPMENT	131200	1,842,503	884,401
07-01 ASH POND PIPE RACK AND PIPING	131200	7,734,194	3,712,413
07-03 4160 VOLT EQUIPMENT/ASH POND/	131200	1,748,188	839,130
08-01 PORTABLE WATER "A"	131200	538,492	258,476
08-02 FIRE PROTECTION	131200	1,088,239	522,355
08-03 FUEL OIL "A"	131200	70,016	33,608
08-06 SERVICE WATER "A"	131200	1,998,853	959,449
08-07 MISC. PLANT UNDERGROUND	131200	402,099	193,008
08-07 MISC. PLANT UNDERGROUND	131200	392,855	188,570
22-01 CONCRETE FOUNDATIONS	131200	908,651	436,153
22-02 CONCRETE SHELL AND LINER	131200	9,123,637	4,379,346
25-02 CONVEYOR ROOM EQUIPMENT	131200	1,734,055	832,346
25-04 MULTIPLEX EQUIPMENT	131200	124,519	59,769
25-05 COAL HANDLING (MATERIAL ONLY)	131200	291,685	140,009
30-01 STATION FUEL OIL TANKS	131200	203,329	97,598
30-02 MECHANICAL EQUIPMENT	131200	57,613	27,654
30-03 PIPING	131200	185,042	88,820
31-02 BARGE UNLOADER	131200	7,598,900	3,647,472

Louisville Gas and Electric
Trimble County Joint Use Assets

System	Acct.	Original Cost	KU 48% Ownership
31-03 CONVEYORS	131200	2,325,994	1,116,477
32-01 STACKER-RECLAIMER	131200	5,083,663	2,440,158
32-03 CONVEYORS	131200	5,285,881	2,537,223
32-05 CRUSHER EQUIPMENT	131200	454,795	218,302
32-16 COAL HANDLING MATERIAL	131200	8,298,667	3,983,360
32-20 MOBILE EQUIPMENT COAL MOVING	131200	1,092,324	524,315
35-02 REACTANT BARGE UNLOADING	131200	3,753,568	1,801,713
35-03 CONVEYOR SYSTEM	131200	4,338,944	2,082,693
35-06 LIVE STORAGE PILE	131200	4,930,521	2,366,650
35-19 LIMESTONE HANDLING-MATERIAL	131200	1,870,699	897,936
41-02 REACTANT LIVE STORAGE TANK	131200	1,131,585	543,161
41-05 MECHANICAL EQUIPMENT	131200	6,514,361	3,126,893
41-06 PIPING AND INSULATION	131200	680,755	326,762
41-16 LIMESTONE HANDLING-MATERIAL	131200	242,771	116,530
50-03 CONDENSATE MAKE-UP TREATMENT	131200	4,674,156	2,243,595
50-04 PORTABLE WATER FACILITIES	131200	643,285	308,777
50-05 CONDENSATE MAKE-UP STORAGE	131200	605,162	290,478
COAL FEEDER SHUTOFF GATES	131200	51,859	24,892
CONVEYOR BELT, F2 & G2	131200	96,280	46,215
REBUILD MICHEGAN 380B	131200	162,346	77,926
TC - LIMESTONE BARGE UNLOADER	131200	273,225	131,148
TC B&C COAL CONVEYOR BELTS	131200	143,598	68,927
TC CBU Cantelever Hoist Motor & VFD	131200	110,476	53,029
TC CBU Program. Logic Controller	131200	55,477	26,629
TC Coal Conveyor Belt A	131200	50,144	24,069
TC COAL SAMPLER C CONVEYOR	131200	251,721	120,826
TC E COAL BELT REPL.	131200	221,921	106,522
TC LIMESTONE A CONVEYOR BELT	131200	56,316	27,032
TC Stacker Reclaimer Electrical Upg	131200	270,040	129,619
TC VARIABLE FREQUENCY DRIVES	131200	107,978	51,830
TC1 Limestone Ball Mill Lube Oil System	131200	51,044	24,501
Total Account 131200		90,153,448	43,273,655
03-07 PIPING	131400	457,542	219,620
03-08 PUMPS, SCREENS AND STRAINERS	131400	3,933,742	1,888,196
61-02 BLOWDOWN	131400	1,132,086	543,402
61-04 CIRCULATING WATER LINES "A"	131400	452,968	217,425
Total Account 131400		5,976,339	2,868,643
02-15 GROUNDING	131500	84,410	40,517
03-10 480 VOLT EQUIPMENT	131500	68,351	32,808
03-12 CABLE TRAY	131500	113,216	54,344
04-09 STR B/AFSH LIGHTING	131500	93,205	44,738
06-02 UNDERGROUND ELECTRICAL DUCTS	131500	3,540,357	1,699,371
06-04 GROUNDING	131500	76,650	36,792
30-04 480 VOLT EQUIPMENT	131500	401,610	192,773
30-06 CONDUIT AND CABLE TRAY	131500	56,915	27,319
31-07 4160 VOLT EQUIPMENT	131500	1,106,724	531,228
31-08 480 VOLT EQUIPMENT	131500	305,543	146,661

Louisville Gas and Electric
Trimble County Joint Use Assets

System	Acct.	Original Cost	KU 48% Ownership
31-10 CONDUIT AND CABLE TRAY	131500	149,432	71,727
31-14 MULITPLEX SYSTEMS	131500	613,806	294,627
31-15 COAL HANDLING MATERIAL	131500	2,917,599	1,400,447
32-08 4160 VOLT EQUIPMENT	131500	616,979	296,150
32-09 480 VOLT EQUIPMENT	131500	342,536	164,417
32-10 208/110 VOLT EQUIPMENT	131500	61,839	29,683
32-11 CONDUIT AND CABLE TRAY	131500	113,505	54,482
32-14 GROUNDING	131500	72,805	34,946
32-15 MULTIPLEX SYSTEMS	131500	270,920	130,041
35-12 CONDUIT AND CABLE TRAY	131500	127,682	61,287
35-15 GROUNDING	131500	62,990	30,235
35-18 MULTIPLEX SYSTEMS	131500	103,444	49,653
41-07 4160 VOLT EQUIPMENT	131500	1,485,386	712,985
41-08 480 VOLT EQUIPMENT	131500	749,019	359,529
41-10 CONDUIT AND CABLE TRAY	131500	218,525	104,892
41-15 MULTIPLES SYSTEM	131500	201,847	96,887
50-06 4160 VOLT EQUIPMENT	131500	930,416	446,600
50-07 480 VOLT EQUIPMENT	131500	346,755	166,442
50-15 MULTIPLEX SYSTEM	131500	162,246	77,878
53-07 MICROWAVE	131500	929,488	446,154
61-07 LIGHTING	131500	80,977	38,869
71-01 138 KV EQUIPMENT	131500	675,712	324,342
71-03 6900 VOLT EQUIPMENT	131500	3,554,504	1,706,162
71-04 480 VOLT EQUIPMENT	131500	781,206	374,979
71-05 208/110 VOLT EQUIPMENT	131500	145,950	70,056
73-01 SERVICE BUILDING	131500	785,569	377,073
Total Account 131500		22,348,119	10,727,097
2001 LULL MODEL 844C-42 10 TON LIFT	131600	56,043	26,901
JLG-TYPE CHERRY PICKER	131600	86,390	41,467
Total Account 131600		142,433	68,368
Total		**$ 214,563,331**	**$ 102,990,399**

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 39

Responding Witness: Valerie L. Scott

Q-39. Refer to Exhibit 1, Reference Schedule 1.16, page 2 of 4, and pages 3 – 4 of the Testimony of Valerie L. Scott ("Scott Testimony") concerning the adjustment for labor and labor-related costs.

a. 78.2 percent of labor costs were recorded as operating expense in the test year. Provide the percentages of labor costs recorded as operating expenses for each of the calendar years from 2005 through 2009.

b. Total overtime and premium labor costs for the test year were $12,540,888. Provide the hours upon which this amount was based and the overtime hours for each of the calendar years 2005 through 2009.

c. Provide workpapers, spreadsheets, etc. supporting the construction/other labor rate of 21.8 percent which separate construction labor from other labor. Provide a detailed description for all entries shown for other labor.

d. Provide workpapers, spreadsheets, etc. supporting the calculation of:

(1) Union pay of $40,769,358;
(2) Exempt LG&E pay of $19,928,674;
(3) Non-exempt pay of $3,983,807;
(4) Exempt Servco pay of $34,173,639;
(5) Non-Exempt Servco pay of $4,681,953;
(6) The Servco allocation percentage to LG&E of 42.6 percent;
(7) The union overtime premium;
(8) Non-exempt/Servco Overtime/Premium; and
(9) Labor related to 2009 Winter Storm in the amount of $2,119,395.

A-39. a. The percentages of labor costs recorded as operating expenses for each of the calendar years from 2005 through 2009 are as follows:

Year	Percent
2005	80.0%
2006	81.0%
2007	79.3%
2008	78.1%
2009	78.4%

b. Total overtime and premium labor costs for the test year are based on 266,165 hours.

Year	Hours
2005	247,115
2006	232,299
2007	239,126
2008	284,611
2009	273,180

c. See attached.

d. See attached.

(1) Union pay per the labor pro forma adjustment is $40,765,358. See attached.

(3) Non-exempt pay per the labor pro forma adjustment is $3,963,807. See attached.

Louisville Gas and Electric Company
Case No 2009-00549
Computation of Operating and Construction/Other Labor %

FERC	LG&E Base Labor	LG&E Overtime & Premiums	Total LG&E	Base Labor Charged from Servco	Overtime & Premiums Charged from Servco	Total Charged from Servco	Winter Storm Restoration	Grand Total
107 - Construction work in progress—Electric	$ 7,953,853	$ 1,145,314	$ 9,099,167	$ 2,872,157	$ 10,338	$ 2,882,495	$ -	$ 11,981,662
108 - Accumulated provision for depreciation of electric utility plant	845,796	166,187	1,011,983	3,876	150	4,026	-	1,016,009
Total Construction Labor	$ 8,799,649	$ 1,311,501	$ 10,111,150	$ 2,876,033	$ 10,488	$ 2,886,521	$ -	$ 12,997,671
143 - Other accounts receivable	$ 1,766,504	$ 339,183	$ 2,105,687	$ 1,746	$ 88	$ 1,834	$ -	$ 2,107,521
146 - Accounts receivable from associated companies	2,045,885	691,911	2,737,796	-	-	-	-	2,737,796
163 - Stores expense undistributed	467,736	6,671	474,407	158,558	-	158,558	-	632,965
183 - Preliminary survey and investigation charges	-	-	-	26,358	-	26,358	-	26,358
184 - Clearing accounts	2,812,018	31,877	2,843,895	2,585,005	1,988	2,586,993	-	5,430,888
186 - Miscellaneous deferred debits	6,680	8,853	15,533	166,560	495	167,055	-	182,588
408 - Taxes other than income taxes	-	-	-	-	-	-	-	-
416 - Costs and expenses of merchandising, jobbing, and contract work	10,393	3,632	14,025	-	-	-	-	14,025
426 - Below the line items	98,637	14,173	112,810	338,401	9,330	347,731	-	460,541
908 - Customer assistance expenses	(2,550)	(894)	(3,444)	410,800	436	411,236	-	407,792
2009 Winter Storm Reclassification	-	-	-	-	-	-	(349,735)	(349,735)
Total Other Labor	$ 7,205,303	$ 1,095,406	$ 8,300,709	$ 3,687,428	$ 12,337	$ 3,699,765	$ (349,735)	$ 11,650,739
Total Construction/Other Labor	$ 16,004,952	$ 2,406,907	$ 18,411,859	$ 6,563,461	$ 22,825	$ 6,586,286	$ (349,735)	$ 24,648,410 (A)
500 - Operation supervision and engineering	475,236	806	476,042	1,249,177	1,866	1,251,043	-	1,727,085
501 - Fuel	2,120,531	492,181	2,612,712	678,124	647	678,771	-	3,291,483
502 - Steam expenses	10,243,182	2,380,985	12,624,167	193,347	14,785	208,132	-	12,832,299
505 - Electric expenses	517,976	124,529	642,505	-	-	-	-	642,505
506 - Miscellaneous steam power expenses	4,340,090	692,319	5,032,409	12,386	45	12,431	-	5,044,840
510 - Maintenance supervision and engineering	1,274,744	16,926	1,291,670	366,650	3,320	369,970	-	1,661,640
511 - Maintenance of structures	301,773	26,639	328,412	-	-	-	-	328,412
512 - Maintenance of boiler plant	6,208,278	1,088,873	7,297,151	83,083	-	83,083	-	7,380,234
513 - Maintenance of electric plant	1,187,656	380,865	1,568,521	110,536	-	110,536	-	1,679,057
514 - Maintenance of miscellaneous steam plant	24,612	1,306	25,918	25,016	-	25,016	-	50,934
535 - Operation supervision and engineering	89,875	-	89,875	-	-	-	-	89,875
538 - Electric expenses	103,258	48,106	151,364	-	-	-	-	151,364
539 - Miscellaneous hydraulic power generation expenses	10,985	67	11,052	-	-	-	-	11,052
541 - Maintenance supervision and engineering	6	-	6	81	-	81	-	87
542 - Maintenance of structures	26,620	228	26,848	-	-	-	-	26,848
543 - Maintenance of reservoirs, dams and waterways	43,436	12,309	55,745	-	-	-	-	55,745
544 - Maintenance of electric plant	119,129	9,817	128,946	-	-	-	-	128,946
548 - Generation expenses	83,240	7,397	90,637	-	-	-	-	90,637
551 - Maintenance supervision and engineering	(913)	43	(870)	3,462	-	3,462	-	2,592
552 - Maintenance of structures	3,384	2	3,386	-	-	-	-	3,386
553 - Maintenance of generating and electric plant	124,174	19,570	143,744	-	-	-	-	143,744
554 - Maintenance of miscellaneous other power generation plant	287	7	294	-	-	-	-	294
556 - System control and load dispatching	261	-	261	1,206,940	-	1,206,940	-	1,207,201
560 - Operation supervision and engineering	3,325	525	3,850	520,542	929	521,471	-	525,321
561 - Load dispatch and reliability	-	-	-	824,759	10,379	835,138	-	835,138
562 - Station expenses	520,975	47,412	568,387	29,045	520	29,565	-	597,952
563 - Overhead line expense	320	-	320	9,860	-	9,860	-	10,180
566 - Miscellaneous transmission expenses	77,384	184	77,568	87,569	1,182	88,751	-	166,319
570 - Maintenance of station equipment	242,601	21,469	264,070	5,988	188	6,176	-	270,246
571 - Maintenance of overhead lines	-	-	-	14,901	-	14,901	-	14,901
573 - Maintenance of miscellaneous transmission plant	1,882	-	1,882	198	-	198	-	2,080
580 - Operation supervision and engineering	357,659	220,781	578,440	1,238,748	69,564	1,308,312	-	1,886,752
581 - Load dispatching	-	-	-	348,426	10,590	359,016	-	359,016
582 - Station expenses	264,685	5,498	270,183	69	-	69	-	270,252
583 - Overhead line expenses	1,475,682	363,948	1,839,630	95,691	214	95,905	-	1,935,535
584 - Underground line expenses	65,164	6,476	71,640	13,396	-	13,396	-	85,036
585 - Street lighting and signal system expenses	3,532	1,831	5,363	-	-	-	-	5,363
586 - Meter expenses	2,391,329	365,905	2,757,234	148,827	1,415	150,242	-	2,907,476
588 - Miscellaneous distribution expenses	333,033	37,279	370,312	864,542	3,103	867,645	-	1,237,957
590 - Maintenance supervision and engineering	8,427	33,493	41,920	2,600	-	2,600	-	44,520
591 - Maintenance of structures	8,905	933	9,838	-	-	-	-	9,838
592 - Maintenance of station equipment	239,895	14,255	254,150	4,693	1,139	5,832	-	259,982
593 - Maintenance of overhead lines	1,178,345	1,721,159	2,899,504	102,918	1,281	104,199	-	3,003,703
594 - Maintenance of underground lines	194,359	99,099	293,458	-	-	-	-	293,458
595 - Maintenance of line transformers	161,472	24,633	186,105	-	-	-	-	186,105
596 - Maintenance of street lighting and signal systems	35,856	1,383	37,239	-	-	-	-	37,239
598 - Maintenance of miscellaneous distribution plant	37,467	1,924	39,391	1,461	111	1,572	-	40,963
807 - Purchased gas expenses	548,716	112	548,828	-	-	-	-	548,828
813 - Other gas supply expenses	13,901	2	13,903	-	-	-	-	13,903
814 - Operation supervision and engineering	386,188	4,673	390,861	36	-	36	-	390,897
816 - Wells expenses	18,828	1,834	20,662	-	-	-	-	20,662
817 - Lines expenses	286,893	10,505	297,398	-	-	-	-	297,398
818 - Compressor station expenses	347,910	42,831	390,741	383	-	383	-	391,124
821 - Purification expenses	469,157	93,685	562,842	-	-	-	-	562,842
830 - Maintenance supervision and engineering	272,953	957	273,910	-	-	-	-	273,910
832 - Maintenance of reservoirs and wells	199,027	8,737	207,764	-	-	-	-	207,764
833 - Maintenance of lines	61,686	9,094	70,780	-	-	-	-	70,780
834 - Maintenance of compressor station equipment	487,016	25,009	512,025	-	-	-	-	512,025
835 - Maintenance of measuring and regulating station equipment	39,826	2,711	42,537	-	-	-	-	42,537
836 - Maintenance of purification equipment	116,660	15,765	132,425	-	-	-	-	132,425
837 - Maintenance of other equipment	35,514	1,256	36,770	-	-	-	-	36,770
850 - Operation supervision and engineering	2,142	1,091	3,233	-	-	-	-	3,233
851 - System control and load dispatching	243,933	-	243,933	-	-	-	-	243,933
856 - Mains expenses	159,540	11,902	171,442	-	-	-	-	171,442
863 - Maintenance of mains	87,365	17,209	104,574	-	-	-	-	104,574
871 - Distribution load dispatching	347,262	-	347,262	-	-	-	-	347,262
874 - Mains and services expenses	546,769	89,661	636,430	145	-	145	-	636,575
875 - Measuring and regulating station expenses —General	373,968	48,519	422,487	-	-	-	-	422,487
876 - Measuring and regulating station expenses—Industrial	191,498	15,362	206,860	-	-	-	-	206,860
877 - Measuring and regulating station expenses—City gate	24,262	553	24,815	-	-	-	-	24,815
878 - Meter and house regulator expenses	8,689	258	8,947	-	-	-	-	8,947

Louisville Gas and Electric Company
Case No. 2009-00549
Computation of Operating and Construction/Other Labor %

FERC	LG&E Base Labor	LG&E Overtime & Premiums	Total LG&E	Base Labor Charged from Servco	Overtime & Premiums Charged from Servco	Total Charged from Servco	Winter Storm Restoration	Grand Total	
879 - Customer installations expenses	179,231	73,015	252,246	-	-	-	-	252,246	
880 - Other expenses	897,329	79,079	976,408	582,855	-	582,855	-	1,559,263	
886 - Maintenance of structures and improvements	27,118	1,832	28,950	729	-	729	-	29,679	
887 - Maintenance of mains	2,986,846	443,632	3,430,478	-	-	-	-	3,430,478	
889 - Mtce of measuring and regulating station equip.—General	37,665	4,881	42,546	-	-	-	-	42,546	
890 - Mtce of measuring and regulating station equip —Industrial	99,088	66,327	165,415	-	-	-	-	165,415	
891 - Mtce. of measuring and regulating station equip.—City gate	149,123	17,559	166,682	-	-	-	-	166,682	
892 - Maintenance of services	587,593	76,204	663,797	-	-	-	-	663,797	
894 - Maintenance of other equipment	177,507	3,917	181,424	-	-	-	-	181,424	
901 - Supervision	1,067	1,311	2,378	1,218,986	1,634	1,220,620	-	1,222,998	
902 - Meter reading expenses	402,384	4,153	406,537	57,605	59	57,664	-	464,201	
903 - Customer records and collection expenses	1,569,211	181,633	1,750,844	2,530,773	267,315	2,798,088	-	4,548,932	
905 - Miscellaneous customer accounts expenses	100,532	6,710	107,242	228,069	-	228,069	-	335,311	
907 - Supervision	-	-	-	144,759	-	144,759	-	144,759	
908 - Customer assistance expenses	3,673	894	4,567	94,734	-	94,734	-	99,301	
909 - Informational and instructional advertising expenses	1,835	438	2,273	-	-	-	-	2,273	
910 - Miscellaneous customer service and informational expenses	43,033	4,879	47,912	365,844	7,377	373,221	-	421,133	
920 - Administrative and general salaries	165,074	5,438	170,512	15,342,904	25,538	15,368,442	-	15,538,954	
921 - Office supplies and expenses	-	-	-	-	-	-	-	-	
922 - Administrative expenses transferred—Credit	(414,326)	(1,048)	(415,374)	-	-	-	-	(415,374)	
925 - Injuries and damages	7,944	10,698	18,642	36,435	-	36,435	-	55,077	
926 - Employee pensions and benefits	-	-	-	-	-	-	-	-	
935 - Maintenance of general plant	261,083	15,086	276,169	3,785,884	18,428	3,804,312	-	4,080,481	
2009 Winter Storm Reclassification	-	-	-	-	-	-	(1,769,660)	(1,769,660)	
Total Operating Labor	$ 47,452,830	$ 9,669,526	$ 57,122,356	$ 32,633,176	$ 441,629	$ 33,074,805	$ (1,769,660)	$ 88,427,501	
Total Labor	$ 63,457,782	$ 12,076,433	$ 75,534,215	$ 39,196,637	$ 464,454	$ 39,661,091	$ (2,119,395)	$ 113,075,911	(B)
Construction/Other % = (A) / (B)								21.8%	

Louisville Gas and Electric Company
Case No. 2009-00549
Union Pay

(1)	1	LG&E Union Annualized Base Labor at October 31, 2009	(a)	$40,765,358
(2)	2	Exempt LG&E Annualized Base Labor at October 31, 2009	(a)	$19,296,084
	3	LG&E Senior Management Annualized Base Labor at October 31, 2009	(a)	632,590
	4	Total LG&E Exempt Annualized Base Labor at October 31, 2009 (line 2 + line 3)		$19,928,674
(3)	5	LG&E Non-Exempt Annualized Base Labor at October 31, 2009	(a)	$ 3,963,807

(a) source: PeopleSoft System Report for Annualized Salaries

Louisville Gas & Electric Co.

Report for Company : 100
As of Date: 10/31/2009

		Cummulative Annual Pay	Average Annual Pay
Union Wage			
Total Employees	669	40,765,358.40	60,934.77
Exempt			
Total Employees	225	19,296,084.00	85,760.37
Nonexempt			
Total Employees	91	3,963,807.00	43,558.32
Senior Management			
Total Employees	4	632,590.00	158,147.50

Louisville Gas and Electric Company
Case No. 2009-00549
Servco Gross Pay

(4)	1	Exempt Servco Annualized Base Labor at October 31, 2009	(a)	$	68,436,658
	2	Servco Senior Management Annualized Base Labor at October 31, 2009	(a)		11,783,151
	3	Total LG&E Exempt Annualized Base Labor at October 31, 2009 (line 1 + line 2)		$	80,219,809
	4	Servco Allocation Percentage to LG&E			42.6%
	5	Total Exempt Servco Annualized Base Labor at October 31, 2009 Allocated to LG&E (line 3 x line 4)		$	34,173,639
(5)	6	Non-Exempt Servco Annualized Base Labor at October 31, 2009	(a)	$	10,990,500
	7	Servco Allocation Percentage to LG&E			42.6%
	8	Total Exempt Servco Annualized Base Labor at October 31, 2009 (allocated to LG&E) (line 6 x line 7)		$	4,681,953

(a) source: PeopleSoft System Report for Annualized Salaries

E.ON U.S. Services Inc.

Report for Company : 020
As of Date: 10/31/2009

		Cummulative Annual Pay	Average Annual Pay
Exempt			
Total Employees	793	68,436,658.01	86,300.96
Nonexempt			
Total Employees	270	10,990,500.00	40,705.56
Senior Management			
Total Employees	59	11,783,150.81	199,714.42

Louisville Gas and Electric Company
Case No. 2009-00549
Servco Allocation Percentage

(6)	1	Total Servco Straight Time Labor for 12 Months Ending October 31, 2009	$78,816,468
	2	Servco Straight Time Labor Allocated to LG&E	33,558,042
	3	Percent of Servco Labor Allocated to LG&E (line 2 / line 1)	42.6%

Louisville Gas and Electric Company
Case No. 2009-00549
Union Overtime/Premium per the General Ledger

(7) Exp Type FERC	0111 Union Overtime	0112 Union Doubletime	0145 Union Labor Premiums	Total
107 - Construction work in progress—Electric	$ 871,652	$ 226,815	$ 40,404	$ 1,138,871
108 - Accumulated provision for depreciation of electric utility plant	114,344	43,487	6,795	164,626
143 - Other accounts receivable	195,348	127,232	14,228	336,808
146 - Accounts receivable from associated companies	368,010	286,061	9,052	663,123
163 - Stores expense undistributed	2,633	3,156	120	5,909
184 - Clearing accounts	22,111	-	3,622	25,733
186 - Miscellaneous deferred debits	6,454	272	-	6,726
416 - Costs and expenses of merchandising, jobbing, and contract work	3,028	367	237	3,632
426 - Below the line items	10,455	3,474	244	14,173
500 - Operation supervision and engineering	801	-	89	890
501 - Fuel	378,640	88,487	25,054	492,181
502 - Steam expenses	1,741,177	454,214	186,237	2,381,628
505 - Electric expenses	93,059	20,715	10,755	124,529
506 - Miscellaneous steam power expenses	555,924	104,642	28,628	689,194
510 - Maintenance supervision and engineering	5,084	625	285	5,994
511 - Maintenance of structures	19,930	5,496	1,213	26,639
512 - Maintenance of boiler plant	733,808	304,080	50,985	1,088,873
513 - Maintenance of electric plant	256,557	110,718	13,590	380,865
514 - Maintenance of miscellaneous steam plant	1,014	189	103	1,306
538 - Electric expenses	25,908	17,313	4,885	48,106
539 - Miscellaneous hydraulic power generation expenses	67	-	-	67
542 - Maintenance of structures	228	-	-	228
543 - Maintenance of reservoirs, dams and waterways	5,270	6,764	275	12,309
544 - Maintenance of electric plant	5,333	4,229	255	9,817
548 - Generation expenses	5,268	1,367	762	7,397
551 - Maintenance supervision and engineering	43	-	-	43
552 - Maintenance of structures	-	-	2	2
553 - Maintenance of generating and electric plant	14,638	4,157	775	19,570
554 - Maintenance of miscellaneous other power generation plant	-	-	7	7
560 - Operation supervision and engineering	525	-	-	525
561 - Load dispatch and reliability	-	-	10,379	10,379
562 - Station expenses	27,208	12,823	7,381	47,412
566 - Miscellaneous transmission expenses	62	-	122	184
570 - Maintenance of station equipment	16,823	4,361	285	21,469
580 - Operation supervision and engineering	125,628	63,347	5,409	194,384
581 - Load dispatching	-	-	10,590	10,590
582 - Station expenses	4,091	987	420	5,498
583 - Overhead line expenses	104,224	35,009	44,942	184,175
584 - Underground line expenses	5,226	1,198	52	6,476
585 - Street lighting and signal system expenses	1,448	250	133	1,831
586 - Meter expenses	271,836	5,195	3,163	280,194
588 - Miscellaneous distribution expenses	31,768	1,395	1,200	34,363
590 - Maintenance supervision and engineering	27,101	6,264	128	33,493
591 - Maintenance of structures	930	-	3	933
592 - Maintenance of station equipment	13,093	728	434	14,255
593 - Maintenance of overhead lines	1,168,012	476,640	69,241	1,713,893
594 - Maintenance of underground lines	73,802	19,861	5,436	99,099
595 - Maintenance of line transformers	20,499	3,712	422	24,633
596 - Maintenance of street lighting and signal systems	606	-	88	694
598 - Maintenance of miscellaneous distribution plant	1,388	430	106	1,924
807 - Purchased gas expenses	23	-	89	112
813 - Other gas supply expenses	-	-	2	2
814 - Operation supervision and engineering	3,129	-	834	3,963
816 - Wells expenses	1,834	-	-	1,834
817 - Lines expenses	6,875	558	3,072	10,505
818 - Compressor station expenses	33,976	1,234	7,263	42,473
821 - Purification expenses	73,339	9,022	11,324	93,685
832 - Maintenance of reservoirs and wells	7,547	-	1,190	8,737
833 - Maintenance of lines	9,009	-	85	9,094
834 - Maintenance of compressor station equipment	21,469	1,312	2,228	25,009
835 - Maintenance of measuring and regulating station equipment	877	1,239	595	2,711
836 - Maintenance of purification equipment	13,346	920	1,499	15,765
837 - Maintenance of other equipment	661	-	595	1,256
850 - Operation supervision and engineering	1,091	-	-	1,091
856 - Mains expenses	10,061	984	857	11,902

Louisville Gas and Electric Company
Case No. 2009-00549
Union Overtime/Premium per the General Ledger

(7) Exp Type	0111	0112	0145	
FERC	Union Overtime	Union Doubletime	Union Labor Premiums	Total
863 - Maintenance of mains	11,136	5,730	343	17,209
874 - Mains and services expenses	78,495	4,232	3,289	86,016
875 - Measuring and regulating station expenses—General	42,311	478	5,717	48,506
876 - Measuring and regulating station expenses—Industrial	12,474	1,000	1,888	15,362
877 - Measuring and regulating station expenses—City gate	383	-	170	553
878 - Meter and house regulator expenses	88	-	170	258
879 - Customer installations expenses	52,600	14,551	5,864	73,015
880 - Other expenses	64,612	3,946	8,423	76,981
886 - Maintenance of structures and improvements	1,464	224	144	1,832
887 - Maintenance of mains	347,040	47,321	48,874	443,235
889 - Mtce. of measuring and regulating station equip.—General	2,822	1,379	680	4,881
890 - Mtce. of measuring and regulating station equip.—Industrial	62,541	299	3,487	66,327
891 - Mtce. of measuring and regulating station equip.—City gate	12,960	2,022	2,577	17,559
892 - Maintenance of services	56,525	8,924	10,755	76,204
894 - Maintenance of other equipment	1,943	-	1,974	3,917
901 - Supervision	1,311	-	225	1,536
902 - Meter reading expenses	1,121	-	-	1,121
903 - Customer records and collection expenses	1,941	-	6,841	8,782
905 - Miscellaneous customer accounts expenses	2,299	427	3,393	6,119
909 - Informational and instructional advertising expenses	188	250	-	438
910 - Miscellaneous customer service and informational expenses	332	-	1,150	1,482
920 - Administrative and general salaries	4,784	577	75	5,436
922 - Administrative expenses transferred—Credit	(194)	(31)	(57)	(282)
925 - Injuries and damages	7,551	3,147	-	10,698
935 - Maintenance of general plant	11,629	2,147	5,273	19,049
Total	$ 8,292,647	$ 2,557,952	$ 699,424	$ 11,550,023

Louisville Gas and Electric Company
Case No 2009-00549
Non-exempt/Hourly/Servco Overtime/Premium

Exp Type	0121	0126	0127	0131	0121	0131	
(8) FERC	LG&E Non-Bargaining Unit Overtime	LG&E Hourly Non-Union Overtime	LG&E Hourly Non-Union Doubletime	LG&E Temporary Overtime	Servco Non-Bargaining Unit Overtime	Servco Temporary Overtime	Total
107 - Construction work in progress—Electric	$ 5,795	$ 1,649	$ -	$ -	$ 8,994	$ 344	$ 16,782
108 - Accumulated provision for depreciation of electric utility plant	689	872	-	-	150	-	1,711
143 - Other accounts receivable	2,345	-	-	30	88	-	2,463
146 - Accounts receivable from associated companies	27,146	1,595	-	47	-	-	28,788
163 - Stores expense undistributed	762	-	-	-	-	-	762
184 - Clearing accounts	5,904	-	-	240	1,988	-	8,132
186 - Miscellaneous deferred debits	2,127	-	-	-	495	-	2,622
426 - Below the line items	-	-	-	-	9,330	-	9,330
500 - Operation supervision and engineering	(70)	-	-	(14)	1,582	284	1,782
501 - Fuel	-	-	-	-	647	-	647
502 - Steam expenses	(643)	-	-	-	14,785	-	14,142
506 - Miscellaneous steam power expenses	3,067	-	-	58	45	-	3,170
510 - Maintenance supervision and engineering	967	-	-	9,965	3,265	55	14,252
560 - Operation supervision and engineering	-	-	-	-	929	-	929
562 - Station expenses	-	-	-	-	520	-	520
566 - Miscellaneous transmission expenses	-	-	-	-	1,182	-	1,182
570 - Maintenance of station equipment	-	-	-	-	188	-	188
580 - Operation supervision and engineering	14,493	13,720	-	-	67,748	-	95,961
583 - Overhead line expenses	6,530	172,068	695	480	214	-	179,987
586 - Meter expenses	85,711	-	-	-	1,415	-	87,126
588 - Miscellaneous distribution expenses	1,373	1,543	-	-	3,103	-	6,019
592 - Maintenance of station equipment	-	-	-	-	1,139	-	1,139
593 - Maintenance of overhead lines	6,056	1,210	-	-	1,281	-	8,547
596 - Maintenance of street lighting and signal systems	689	-	-	-	-	-	689
598 - Maintenance of miscellaneous distribution plant	-	-	-	-	111	-	111
814 - Operation supervision and engineering	710	-	-	-	-	-	710
818 - Compressor station expenses	358	-	-	-	-	-	358
830 - Maintenance supervision and engineering	957	-	-	-	-	-	957
874 - Mains and services expenses	3,645	-	-	-	-	-	3,645
875 - Measuring and regulating station expenses—General	13	-	-	-	-	-	13
880 - Other expenses	2,098	-	-	-	-	-	2,098
887 - Maintenance of mains	314	83	-	-	-	-	397
901 - Supervision	-	-	-	-	1,409	-	1,409
902 - Meter reading expenses	3,032	-	-	-	59	-	3,091
903 - Customer records and collection expenses	177,634	-	-	2,055	260,477	-	440,166
905 - Miscellaneous customer accounts expenses	591	-	-	-	-	-	591
908 - Customer assistance expenses	-	-	-	-	436	-	436
910 - Miscellaneous customer service and informational expenses	3,597	-	-	-	7,076	101	10,774
920 - Administrative and general salaries	12	-	-	-	24,661	867	25,540
922 - Administrative expenses transferred—Credit	(750)	-	-	(16)	-	-	(766)
935 - Maintenance of general plant	-	-	-	-	14,222	243	14,465
Total	$ 355,152	$ 192,740	$ 695	$ 12,845	$ 427,539	$ 1,894	$ 990,865

Louisville Gas and Electric Company
Case No. 2009-00549
Labor Related to 2009 Winter Storm

			Distribution Operations	Transmission Operations	Total
(9)	1	LG&E Employees Charging LG&E	$ 1,646,309	$ -	$ 1,646,309
	2	Servco Employees Charging LG&E	120,681	2,670	123,351
	3	Operating Labor Related to the 2009 Winter Storm (line 1 + line 2)	1,766,990	2,670	1,769,660
	4	LG&E Employees Charging Other Companies	349,735	-	349,735
	5	Construction/Other Labor Related to the 2009 Winter Storm (line 4)	349,735	-	349,735
	6	Total Labor Related to the 2009 Winter Storm (line 3 + line 5)	$ 2,116,725	$ 2,670	$ 2,119,395

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 40

Responding Witness: Paula H. Pottinger, Ph.D./Valerie L. Scott

Q-40. Refer to Exhibit 1, Reference Schedule 1.17 of the Rives Testimony.

a. For each expense item shown on lines 1 and 2, provide the corresponding amount capitalized as well as the total cost.

b. Various news media have reported employers revising or eliminating defined benefit pension plans for new hires and freezing or amending plans for tenured employees due, in part, to the impact the recent economic downturn has had on the plans' costs. Describe any revisions LG&E has made in the past three calendar years, or anticipates making in 2010 - 2012, to its defined benefit pension plan, post-retirement plan, and post-employment plan to control the costs related to these plans.

A-40. a. See attached. An update to the amounts referenced on Rives Exhibit 1, Reference Schedule 1.17, lines 1 and 2, for pension and postretirement will be provided in an upcoming revision per PSC 1-43. The attached schedule reflects these updates.

b. Employees hired and rehired on or after January 1, 2006, are excluded from participation in the defined benefit pension plan. Instead, they are eligible for an annual Retirement Income Account contribution to the savings plan equal to between three and seven percent of their covered compensation based on their years of service. No other changes were made or are anticipated related to the defined benefit pension plan at this time.

The changes that have been made to certain options in the post-retirement or post-employment plans to control the costs in 2010 include:

- A High Deductible PPO option
- A Low Deductible PPO option
- Required mail order feature for maintenance drugs
- Required use of a specialty drug pharmacy, including managed care features
- A more restrictive vision network

Additional steps taken to help control costs include the following:

The Company offers health care management programs within our medical options to help employees and dependents maintain their health, control chronic conditions and understand treatment options. Programs include: Vascular at Risk, Condition Care, My Health Advantage, and health risk appraisals.

The Company offers Company sponsored wellness programs to encourage healthy behavior, to promote individual responsibility for wellness, and to reduce health care claims. Programs include annual flu shots, fitness center incentive, weight loss program incentive, smoking cessation, annual mammograms, health risk appraisals and annual health fairs.

In 2009, the Company conducted a dependent eligibility audit of the medical options to ensure only eligible dependents are covered.

LOUISVILLE GAS AND ELECTRIC COMPANY

Pension, Post Retirement and Post Employment

	Pension	Post Retirement	Post Employment
1. Pension, Post Retirement and Post Employment Capitalized in test year	$ 6,943,883	$ 2,238,704	$ 29,685
2. Pension, Post Retirement and Post Employment expenses in test year (Per Rives Testimony - Exhibit 1 Reference Schedule 1.17, revised per PSC 1-43)	23,053,282	6,837,641	194,399
3. Total for Test Year	$ 29,997,165	$ 9,076,345	$ 224,084
4. Expected 2010 Capital	$ 6,421,340	$ 1,946,676	$ 112,382
5. Pension, Post Retirement, and Post Employment expenses annualized for 2010 Mercer Study (Per Rives Testimony - Exhibit 1 Reference Schedule 1.17, revised per PSC 1-43)	21,685,162	5,981,097	702,541
6. Total Expected for 2010	$ 28,106,502	$ 7,927,773	$ 814,923

LOUISVILLE GAS AND ELECTRIC COMPANY

Supporting Schedule

Pension

Test Year	Capital	Expense	Total
	26.2% *	73.8% *	
LGE	$ 5,677,610	$ 15,977,147	$ 21,654,757
	15.2% *	84.8% *	
Servco Allocation	1,266,273	7,076,135	8,342,408
Total Pension	**$ 6,943,883**	**$ 23,053,282**	**$ 29,997,165**

2010	Capital	Expense	Total
	26.2% *	73.8% *	
LGE	$ 5,118,171	$ 14,402,850	$ 19,521,021
	15.2% *	84.8% *	
Servco Allocation	1,303,169	7,282,312	8,585,481
Total Pension	**$ 6,421,340**	**$ 21,685,162**	**$ 28,106,502**

Post Retirement

Test Year	Capital	Expense	Total
	25.7% *	74.3% *	
LGE	$ 2,095,927	$ 6,062,974	$ 8,158,901
	15.6% *	84.4% *	
Servco Allocation	142,777	774,667	917,444
Total Pension	**$ 2,238,704**	**$ 6,837,641**	**$ 9,076,345**

2010	Capital	Expense	Total
	25.7% *	74.3% *	
LGE	$ 1,808,551	$ 5,231,670	$ 7,040,221
	15.6% *	84.4% *	
Servco Allocation	138,125	749,427	887,552
Total Pension	**$ 1,946,676**	**$ 5,981,097**	**$ 7,927,773**

Post Employment

Test Year	Capital	Expense	Total
	14.2% *	85.8% *	
LGE	$ 12,006	$ 72,589	$ 84,595
	12.7% *	87.3% *	
Servco Allocation	17,679	121,810	139,489
Total Pension	**$ 29,685**	**$ 194,399**	**$ 224,084**

2010	Capital	Expense	Total
	14.2% *	85.8% *	
LGE	$ 85,047	$ 514,205	$ 599,252
	12.7% *	87.3% *	
Servco Allocation	27,335	188,336	215,671
Total Pension	**$ 112,382**	**$ 702,541**	**$ 814,923**

* The allocation percentage used here for both capital and expense are the same as those used on the proforma.
In addition, the Servco pension cost allocation pecentage to LGE is the same as that used on the proforma.
(Rives Testimony Exhibit 1 Reference Schedule 1.17, revised per PSC 1-43)

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 41

Responding Witness: Daniel K. Arbough

Q-41. Refer to Exhibit 1, Reference Schedule 1.19, of the Rives Testimony and pages 7 – 8 of the Arbough Testimony regarding the adjustment for the premium of a new pollution liability insurance policy.

a. Provide a copy of the insurance policy.

b. Pursuant to the Arbough Testimony at page 7, the policy appears to protect against claims that could be considered the responsibility of shareholders given the Commission's historic rate treatment of pollution-related fines and penalties incurred by jurisdictional utilities. If it serves to protect shareholders, explain why the policy's cost should be recovered via rates and borne by ratepayers.

A-41. a. There are five policies that have been bound. The only policy that has been received thus far for this coverage is attached on CD in the folder titled Question No. 41. It is the primary policy from Chartis and the other policies will follow the form of this policy.

b. The policy does not provide coverage for fines and penalties. It responds to a variety of property damage and liability costs associated with a covered event. This would include clean up costs associated with a spill or other environmental condition that would otherwise be recoverable from ratepayers.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 42

Responding Witness: Lonnie E. Bellar

Q-42. Refer to Exhibit 1, Reference Schedule 1.20, of the Rives Testimony and pages 13 – 14 of the Testimony of Lonnie E. Bellar ("Bellar Testimony") concerning the "Hazard Tree" program and the related adjustment. Provide the workpapers, spreadsheets, etc. which show the derivation of the total company amount of $5,864,342 and an explanation of how the LG&E allocation of 30 percent was determined.

A-42. The "Davies Report" is the source for the Hazard Tree program and is provided on the attached CD in the folder titled Question No. 42. The "Total O&M" on the attached workpaper shows the support for the total company amount of $5,864,342. The Hazard Tree program spend was allocated based on the 2008 actual vegetation management spend ratio between KU and LG&E determined as follows:

	ACTUAL 2008 SPEND	RATIO
KU	$ 10,906,000	70%
LG&E	$ 4,656,000	30%
TOTAL	$ 15,562,000	100%

	Capital-Hardening Program					Capital-Undergrounding Service Pilot			O&M-Hazard Tree Program		
	KU Dist	KU Trans	LG&E Dist	LG&E Trans	Total	KU Dist	LG&E Dist	Total	KU	LG&E	Total
Scenario 1	$ 96,917,024	$ 25,349,200	$ 110,970,452	$ 16,597,400	$ 249,834,075	$ 800,000	$ 800,000	$ 1,600,000	$ 20,525,196	$ 8,796,513	$ 29,321,709
Scenario 2	$ 75,271,661	$ 19,310,240	$ 93,447,661	$ 11,933,480	$ 199,963,042	$ 800,000	$ 800,000	$ 1,600,000	$ 20,525,196	$ 8,796,513	$ 29,321,709
Scenario 3	$ 54,181,199	$ 13,055,880	$ 71,218,780	$ 11,541,080	$ 149,996,939	$ 800,000	$ 800,000	$ 1,600,000	$ 20,525,196	$ 8,796,513	$ 29,321,709
Scenario 4	$ 36,647,746	$ 4,155,640	$ 50,712,237	$ 8,484,280	$ 99,999,903	$ 800,000	$ 800,000	$ 1,600,000	$ 20,525,196	$ 8,796,513	$ 29,321,709

Assumptions:
Hazard Tree program spend will be allocated based on current vegetation management spend ratio between KU and LG&E
Hazard Tree program will be ongoing and extend beyond 2015
The expand ROW hardening options will be charged to capital. Other utilities have used this approach, it will require Accounting approval.
Undergrounding service pilot will be split evenly between LG&E and KU
The hardening investment will start mid-year 2010

Projected Cash Flows

Scenario 1

	5%	20%	30%	30%	15%	
	2010	2011	2012	2013	2014	Total
LG&E Trans Capital	$ 829,870	$ 3,319,480	$ 4,979,220	$ 4,979,220	$ 2,489,610	$ 16,597,400
LG&E Dist Capital	$ 5,898,523	$ 22,569,090	$ 33,316,135	$ 33,341,135	$ 16,645,568	$ 111,770,452
KU Trans Capital	$ 1,267,460	$ 5,069,840	$ 7,604,760	$ 7,604,760	$ 3,802,380	$ 25,349,200
KU Dist Capital	$ 5,195,851	$ 19,758,405	$ 29,100,107	$ 29,125,107	$ 14,537,554	$ 97,717,024
Total Capital	**$ 13,191,704**	**$ 50,716,815**	**$ 75,000,223**	**$ 75,050,223**	**$ 37,475,111**	**$ 251,434,075**
KU O&M	$ 2,052,520	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 18,472,677
LG&E O&M	$ 879,651	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 1,758,303	$ 7,916,861
Total O&M	**$ 2,932,171**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 26,389,538**

Scenario 2

	5%	20%	30%	30%	15%	
	2010	2011	2012	2013	2014	Total
LG&E Trans Capital	$ 596,674	$ 2,386,696	$ 3,580,044	$ 3,580,044	$ 1,790,022	$ 11,933,480
LG&E Dist Capital	$ 5,022,383	$ 19,064,532	$ 28,059,298	$ 28,084,298	$ 14,017,149	$ 94,247,661
KU Trans Capital	$ 965,512	$ 3,862,048	$ 5,793,072	$ 5,793,072	$ 2,896,536	$ 19,310,240
KU Dist Capital	$ 4,113,583	$ 15,429,332	$ 22,606,498	$ 22,631,498	$ 11,290,749	$ 76,071,661
Total Capital	**$ 10,698,152**	**$ 40,742,608**	**$ 60,038,913**	**$ 60,088,913**	**$ 29,994,458**	**$ 201,563,042**
KU O&M	$ 2,052,520	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 18,472,677
LG&E O&M	$ 879,651	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 1,758,303	$ 7,916,861
Total O&M	**$ 2,932,171**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 26,389,538**

Scenario 3

	5%	20%	30%	30%	15%	
	2010	2011	2012	2013	2014	Total
LG&E Trans Capital	$ 577,054	$ 2,308,216	$ 3,462,324	$ 3,462,324	$ 1,731,162	$ 11,541,080
LG&E Dist Capital	$ 3,910,939	$ 14,618,756	$ 21,390,634	$ 21,415,634	$ 10,682,817	$ 72,018,780
KU Trans Capital	$ 652,794	$ 2,611,176	$ 3,916,764	$ 3,916,764	$ 1,958,382	$ 13,055,880
KU Dist Capital	$ 3,059,060	$ 11,211,240	$ 16,279,360	$ 16,304,360	$ 8,127,180	$ 54,981,199
Total Capital	**$ 8,199,847**	**$ 30,749,388**	**$ 45,049,082**	**$ 45,099,082**	**$ 22,499,541**	**$ 151,596,939**
KU O&M	$ 2,052,520	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 22,577,716
LG&E O&M	$ 879,651	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 9,676,164
Total O&M	**$ 2,932,171**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 32,253,880**

Scenario 4

	5%	20%	30%	30%	15%	
	2010	2011	2012	2013	2014	Total
LG&E Trans Capital	$ 424,214	$ 1,696,856	$ 2,545,284	$ 2,545,284	$ 1,272,642	$ 8,484,280
LG&E Dist Capital	$ 2,885,612	$ 10,517,447	$ 15,238,671	$ 15,263,671	$ 7,606,836	$ 51,512,237
KU Trans Capital	$ 207,782	$ 831,128	$ 1,246,692	$ 1,246,692	$ 623,346	$ 4,155,640
KU Dist Capital	$ 2,182,387	$ 7,704,549	$ 11,019,324	$ 11,044,324	$ 5,497,162	$ 37,447,746
Total Capital	**$ 5,699,995**	**$ 20,749,981**	**$ 30,049,971**	**$ 30,099,971**	**$ 14,999,985**	**$ 101,599,903**
KU O&M	$ 2,052,520	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 4,105,039	$ 22,577,716
LG&E O&M	$ 879,651	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 1,759,303	$ 9,676,164
Total O&M	**$ 2,932,171**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 5,864,342**	**$ 32,253,880**

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 43

Responding Witness: Shannon L. Charnas

Q-43. Refer to Exhibit 1, Reference Schedule 1.24, of the Rives Testimony and page 9 of the Charnas Testimony. Provide a detailed analysis of the "Expenses related to Retired Mainframe for the Twelve Months Ended October 31, 2009" that are being eliminated from the test year under the adjustment on the reference schedule.

A-43.

Account	Description	Amount
921	COMPUTERS AND SUPPLIES	$336.03
921 Total		336.03
923	OUTSIDE SERVICES	203,198.30
923 Total		203,198.30
935	OUTSIDE SERVICES	463,454.44
	TRANSPORTATION ALLOCATION	62.04
	TELECOMMUNICATIONS	16,441.54
	HARDWARE LEASES	73,862.48
	SOFTWARE LEASES	643,460.57
935 Total		1,197,281.07
Grand Total		$1,400,815.40

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 44

Responding Witness: Valerie L. Scott/Lonnie E. Bellar

Q-44. Refer to Exhibit 1, Reference Schedules 1.27 and 1.28, of the Rives Testimony and pages 7 - 8 of the Scott Testimony.

a. Provide copies of the pages of LG&E's general ledger showing the entries made to record and, later, to defer the fall 2008 and winter 2009 storm restoration costs.

b. Given the magnitude of the restoration costs for these storms, explain whether any consideration was given to amortizing the costs over a period longer than five years. Confirm whether the five-year proposed amortization period is based on anything other than the amortization period authorized by the Commission in previous cases.

A-44. a. See the attachment on CD in the folder titled Question No. 44. Pages 33 to 298 of the 2008 Windstorm schedule show where the expenses were originally charged in the general ledger. The expenses were later moved to the regulatory asset on the journal entries provided on pages 1 to 7. Pages 8 to 18 are copies of the Oracle general ledger account analysis report for account number 182334 showing where the regulatory asset of $23,540,333 was recorded.

Pages 299 to 747 of the 2009 Winter storm schedule show where the expenses were originally charged in the general ledger. The expenses were later moved to the regulatory asset on the journal entries provided on pages 19 to 27. Pages 28 to 29 are copies of the Oracle general ledger account analysis report for account number 182342 showing where the gas regulatory asset of $167,689 was recorded. Pages 30 to 32 are copies of the Oracle general ledger account analysis report for account number 182320 showing where the electric regulatory asset of $43,670,702 was recorded.

b. When determining the proposed amortization period consideration was given to the typical five year amortization period previously authorized by the Commission in other proceedings. The Companies believe that a five year period applied in this instance balances the need to lessen the near-term impact of the recovery of storm expenses with the desire to reasonably allocate costs to those who benefited from the restoration effort. Significant capital investments were also made as part of the restoration effort and those costs will be subject to recovery over the useful life of those investments.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 45

Responding Witness: Lonnie E. Bellar

Q-45. Refer to Exhibit 1, Reference Schedule 1.32, of the Rives Testimony and page 15 of the Bellar Testimony concerning the adjustment related to the settlement with the Southwest Power Pool ("SPP"). The $2.27 million was a one-time payment and LG&E and KU recently received Commission approval in Case No. 2009-00427 to begin performing the Independent Transmission Operator services that SPP has performed but will cease to perform when its contract with LG&E and KU expires. Given the non-recurring, one-time nature of this payment, explain in detail why any portion of it should be included, on an after-the-fact basis, in LG&E's revenue requirement.

A-45. The $2.27 million one-time payment to SPP was compensation for costs for SPP's activities as the Independent Transmission Operator ("ITO") for KU/LG&E for 42 months of the initial term of the ITO agreement. The total SPP contract cost would be the current contract cost of $3.34 million per year plus the annual cost of the one-time payment of $0.65 million per year ($2.27/42 months x 12 months) equals $3.99 million per year. The Companies project that their annual cost to self-provide ITO services will be approximately $3-4 million, not including start-up costs of approximately $2 million. Therefore, the current total annual SPP cost of $3.99 million reflects the expected level of annual cost for the Company to self-provide ITO services as approved by the Commission's Order in Case No. 2009-00427 issued February 2, 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 46

Responding Witness: Ronald L. Miller

Q-46. Refer to Exhibit 1, Reference Schedule 1.43, of the Rives Testimony.

a. Provide workpapers and tax returns supporting the prior year federal and state income tax "true-ups."

b. Provide the tax returns where the basis for the "true-ups" originated.

c. Describe each of the "true-ups" and explain why it is appropriate to include the true-ups in the determination of LG&E's revenue requirement.

A-46. a. See attachment.

b. Refer to the 2008 pro forma income tax returns provided in the response to Q-26(a)(8) in the Commission's first data request dated January 19, 2010.

c. See part "a" of this question for a description of the individual "true ups". Most adjustments relate to tax expense, or tax benefit, from a period prior to the test year. This adjustment removes these items that are before the test period so the income tax expense only reflects items relating to the 12 month test period. LG&E proposed a similar adjustment in its most recent base rate case, Case No. 2008-00252 and a similar adjustment was approved by the Commission in Case No. 2003-00433 and in Case No. 2000-080.

Louisville Gas & Electric Company
Case No. 2009-00549
Prior Year Federal and State Income Tax "True-ups"

Prior Year Income Tax True-up:	Electric Federal	Electric State	Electric Total	Comments
Tax expense (benefit)				
Over (under) Accrual of Taxes	(617,733)	(131,582)	(749,315)	Represents the October 2008 estimated tax accrual that was reversed in December 2008. Estimated tax accruals are recorded on the non-quarter months and trued-up on the quarter month's tax provision calculation.
Reserves and adjustments	(286,876)	(218,326)	(505,202)	Reserve adjustments related to 2007 and 2008 tax years.
Reserve Releases		(25,000)	(25,000)	State reserve released due to the expiration of the statute of limitations on the 2005 Indiana state income tax return.
Hydro Credit	(192,364)		(192,364)	True-up related to the Hydro Credit taken on the 2008 federal income tax return.
EUSIC Reallocation	(97)		(97)	Booking of the benefit associated with the reallocation of E.ON US Investment Corp.'s other deductions in prior years.
EUS Loss Reallocation		(603,221)	(603,221)	Booking of the tax benefit related to reallocation of the 2007 E.ON U.S LLC holding company losses.
Permanent estimated vs. actual true-ups				
FAS 112 Subsidy	(18,104)	(3,104)	(21,208)	True-up to permanent difference taken on the 2008 income tax return to actual.
Nondeductible Meals	(4)	(1)	(5)	True-up to permanent difference taken on the 2008 income tax return to actual.
Sec. 199 Deduction	(164,571)	(62,921)	(227,492)	True-up to permanent difference taken on the 2008 income tax return to actual.
Fuel Credit	329		329	True-up to permanent difference taken on the 2008 income tax return to actual.
	(1,279,420)	(1,044,154)	(2,323,575)	

Prior Year Income Tax True-up:	Gas Federal	Gas State	Gas Total	Comments
Federal Tax expense (benefit)				
Over (under) Accrual of Taxes	(204,428)	(33,362)	(237,790)	Represents the October 2008 estimated tax accrual that was reversed in December 2008. Estimated tax accruals are recorded on the non-quarter months and trued-up on the quarter month's tax provision calculation.
Permanent Estimated vs. Actual True-ups	.			
FAS 112 Subsidy	(5,409)	(927)	(6,337)	True-up to permanent difference taken on the 2008 income tax return to actual.
	(209,837)	(34,289)	(244,126)	

Note · The permanent estimated versus actual above are only the items that are above net operating income, the items below net operating income are not listed here.

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2009-00549
FEDERAL TAX COMPARISON OF ACTUAL WITH ACCRUAL
YEAR ENDED DECEMBER 31, 2008

	Books	Tax Return	Difference	Federal Tax True-Up	State Tax True-Up
BOOK INCOME BEFORE TAX AND SUBSIDIARY EARNINGS	130,831,007	130,831,007	-		
FEDERAL INCOME TAX-CURRENT		37,436,695	37,436,695		
FEDERAL INCOME TAX-DEFERRED		1,900,009	1,900,009		
STATE INCOME TAX Benefit/(Expense)	(3,803,089)	(3,803,088)	1		
Dividend income exclusion (70%)	(216,755)	(216,755)	-	-	-
Fuel Credit	-	939	939	329	
Fas 112 Subsidy	20,846	(46,331)	(67,177)	(23,512)	(4,031)
Non-Deductible Contributions	-	1,120	1,120	392	67
Non-Deductible Lobbying & Political Expenses	484,949	442,554	(42,395)	(14,838)	(2,544)
Non-Deductible - M&E	139,308	139,294	(14)	(5)	(1)
Non-Deductible Penalties	172,173	159,832	(12,341)	(4,319)	(740)
Domestic Production Activities Deduction	(3,833,365)	(4,303,568)	(470,203)	(164,571)	(62,921)
Total Permanent Differences	(3,232,844)	(3,822,915)	(590,071)	(206,525)	(70,169)
Bad Debt Reserve	84,190	121,396	37,206		
Book (Gain)/Loss on Disposal of Assets-4797		(8,757,465)	(8,757,465)		
Book Basis Emission Allowances	5,499	5,499	-		
Book Depreciation	-	127,927,222	127,927,222		
CAFC	205,262	205,262	-		
Capitalized Gas Inventory Costs	-	509,300	509,300		
Casualty Loss		(29,728,322)	(29,728,322)		
CIAC	4,000,000	17,367,460	13,367,460		
Contingent Liabilities	105,721	892,275	786,554		
Charitable Contribution	(250,000)	(250,000)	-		
Demand Side Management (DSM)	1,049,357	1,049,357	-		
ECR Ash Hauling	975,471	975,471	-		
FAS 106 Post Retirement Benefits	868,379	888,795	20,416		
FAS 112 Post Employment Benefits	(11,785)	180,441	192,226		
Fas 143-ARO	(748,159)	(429,293)	318,866		

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2009-00549
FEDERAL TAX COMPARISON OF ACTUAL WITH ACCRUAL
YEAR ENDED DECEMBER 31, 2008

	Books	Tax Return	Difference	Federal Tax True-Up	State Tax True-Up
Fas 143-Accretion Expense	1,889,739	1,889,559	(180)		
Fas 143 -Regulatory Credits	(2,036,347)	(1,792,896)	243,451		
FIN 48 Interest	4,447	4,447	-		
Fuel Adjustment Clause Refund & Recovery	1,821,192	1,821,192	-		
Gas Franchise Fee	5,104	5,104	-		
Interest Capitalized	11,567,744	10,558,896	(1,008,848)		
Interest Rate Swaps	30,730,591	30,730,591	-		
Line Pack - IRS Audit	-	142,237	142,237		
Loss on Reacquired Debt - Amortization	1,305,972	1,305,972	-		
Mark to Market Adjustment	(833,146)	(833,145)	1		
Merger Surcredit	456,073	456,073	-		
Miso Exit Fees/Transmission Tariff	4,306,616	4,306,616	-		
Non-Deductible Pensions	3,920,223	(238,404)	(4,158,627)		
Non-Qualified Thrift Plan (Officers Def. Comp.)	(240)	(240)	-		
Prepaid Insurance	(411,690)	(411,690)	-		
Prepaid Transmission Fees	(3,804)	(26,100)	(22,296)		
Public Liability Reserve	(425,590)	(425,590)	-		
Purchased Gas Adjustment	12,572,905	12,572,905	-		
RAR Interest Reserve	-	1,038,234	1,038,234		
Regulatory Expense	(919,388)	(919,388)	-		
Repair Allowance	-	(6,296,492)	(6,296,492)		
Site Assessment Cost (Environmental Study)	60,979	60,979	-		
State Income Tax - Current versus Accrual	2,542,438	3,113,838	571,400		
Storm Damages	(23,530,745)	-	23,530,745		
Tax Depreciation	(26,980,963)	(171,437,951)	(144,456,988)		
Tax Gain/(Loss) on Disposal of Assets/Partnership Interest-4797	(12,223,551)	14,027,652	26,251,203		
Tax Refund	-	1,287,268	1,287,268		
Unamortized Loss on Bonds (loss on reacquired debt)	(6,417,770)	(6,417,770)	-		
Unclaimed Checks	101,523	101,523	-		
Vacation Pay	251,410	170,236	(81,174)		

LOUISVILLE GAS AND ELECTRIC COMPANY
CASE NO. 2009-00549
FEDERAL TAX COMPARISON OF ACTUAL WITH ACCRUAL
YEAR ENDED DECEMBER 31, 2008

	Books	Tax Return	Difference	Federal Tax True-Up	State Tax True-Up
Workers Compensation	(412,079)	(310,273)	101,806		
Total Temporary Differences	3,625,578	5,440,781	1,815,203		
Total Adjustments	392,734	1,617,866	1,225,132		
FED TAXABLE INCOME BEFORE NOL ALLOCATION	127,420,652	128,645,785	1,225,133		
Tax @ 35%	44,597,228	45,026,025	428,796		
R&D Credit & Wind Credits & FTC	(36,157)	939	37,096		
Reserves & Other	(238,719)		238,719		
Estimate vs. Actual	154,655		(154,655)		
Other Current Yr (Describe in Comments)	(8,671,166)		8,671,166		
Other Prior Yr (Describe in Comments)	1,630,853		(1,630,853)		
Net Tax	37,436,694	45,026,964	7,590,269		

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 47

Responding Witness: Ronald L. Miller

Q-47. Refer to Rives Exhibit 1, Reference Schedule 1.45; Rives Exhibit 2; and pages 6 - 9 of the Testimony of Ronald L. Miller concerning the Advanced Coal Investment Tax Credit ("ACITC").

a. The testimony refers to the Commission having approved, in Case No. 2007-00179, LG&E's request to include in capitalization the amount of the ACITC it received in conjunction with the construction costs of eligible assets for TC2. Confirm that LG&E agrees that the Commission's approval in Case No. 2007-00179 related to environmental surcharge recovery and that the Commission expressly denied LG&E's request for a declaration of the appropriate rate-making treatment of the ACITC as it relates to the determination of base rates.

b. Provide workpapers, spreadsheets, etc. showing the derivation of the $345,849 on the reference schedule resulting from the permanent difference due to the loss of depreciable tax basis attributable to the ACITC.

c. Provide workpapers, spreadsheets, etc. which show the derivation of the $22,157,491 amount of the ACITC.

d. Explain why it is appropriate to make an adjustment to pro forma income taxes to remove the effects of this permanent difference.

e. In his testimony in LG&E's application in Case No. 2007-00179, Kent W. Blake described the planned rate-making treatment of the ACITC when determining LG&E's future base rates. Describe all the effects of LG&E's proposed treatment of the ACITC in this case and identify where in the exhibits related to determining its electric revenue requirement, other than Rives Reference Schedule 1.45 and Rives Exhibit 2, those effects are shown.

A-47. a. Yes, LG&E agrees that the Commission's approval in Case No. 2007-00179 related to environmental surcharge recovery and that the Commission denied the Company's request for a declaration of the appropriate rate-making treatment of the ACITC as it relates to the determination of base rates.

b. In the process of data review, an inadvertent error was discovered in the book depreciation lives used to amortize the ACITC. The original permanent difference filed as Rives Exhibit 1 Reference Schedule 1.45 was $345,849. The revised amount of the permanent difference, reflecting the correct property lives, is $241,638. Attached are the workpapers showing the derivation of the revised permanent difference of $241,638.

c. See attachment for derivation of amount. Please note the amount has been revised from the original filing as explained in part b above.

d. The pro forma adjustment does not remove the effect of the permanent difference, it reflects the additional income tax expense the company is required to pay as a result of this loss of tax basis. As required by Internal Revenue Code 50(c), the depreciable tax basis of the assets that create the ACITC must be reduced by the amount of the ACITC. As a result of this adjustment, the tax depreciation will be less than the book depreciation on these assets over the life of the assets This loss of tax depreciation increases taxable income and the corresponding income taxes the company is required to pay, therefore requiring the adjustment to pro forma income taxes.

e. LG&E's treatment of the ACITC in this filing is consistent with the treatment described by Kent W. Blake in Case No. 2007-00179. LG&E is required to consistently apply the same rate treatment for its ACITC that has been used since it elected Section 46(f)(2) of the Internal Revenue many years ago. This election (Option 2) requires the Company to reduce its cost of service by the amount of the credit amortized each year. Option 2 is sometimes referred to as the "ratable flow through method". Rives Exhibit 1 Reference Schedule 1.46 presents the pro forma adjustment for this annual amortization of the ACITC, reducing cost of service. The amortization in this schedule is based on the financial statement lives of the Trimble County Unit 2 assets. The amortization for financial statement purposes will begin when Trimble County Unit 2 goes into service, which is expected to be in June 2010. The final issue described by Mr. Blake is the tax gross up required for the basis difference created by the ACITC. This issue was further described in answer (d) above.

   A second required pro forma adjustment adds back the unamortized balance of ACITC to capitalization. An Option 2 company adds the unamortized balance of ACITC to capitalization and then, lowers cost of service by the amount of amortization of investment tax credit. Normalization rules for Option 2 taxpayers do not permit the reduction in rate base by any portion of the unamortized investment tax credit. The pro forma adjustment that adds back the accumulated unamortized balance of the investment tax credit is made in Rives Exhibit 3.

TC2 Assets at October 31, 2009	Plant Cost	% of Total	ACITC Claimed	Depreciation Rate	ACITC Amortization
311 Structures and Improvements	$ 7,247,689	6.10	$ 1,405,840	1.90%	$ 26,711
312 Boiler Plant Equipment	89,586,183	75.40	17,377,108	2.85%	495,248
314 Turbine Generator Equipment	15,683,523	13.20	3,042,146	2.33%	70,882
315 Accessory Electric Equipment	5,465,470	4.60	1,060,142	2.25%	23,853
316 Miscellaneous Power Plant Equipment	831,702	0.70	161,326	2.78%	4,485
Total	$ 118,814,567	100.00	$ 23,046,563		$ 621,179
Tax Rate					38.90%
Permanent difference due to the loss of depreciable tax basis					$ 241,638

TC2 Assets At October 31, 2009	Plant Cost	% of Total	ACITC Claimed
311 Structures and Improvements	$ 7,247,689	6.10	$ 1,405,840
312 Boiler Plant Equipment	89,586,183	75.40	17,377,108
314 Turbine Generator Equipment	15,683,523	13.20	3,042,146
315 Accessory Electric Equipment	5,465,470	4.60	1,060,142
316 Miscellaneous Power Plant Equipment	831,702	0.70	161,326
Total	$ 118,814,567	100.00	$ 23,046,563

ACITC Claimed	$ 23,046,563
ACITC One Year Amortization	(621,179)
Accumulated ACITC - Revised	$ 22,425,384

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 48

Responding Witness: Valerie L. Scott

Q-48. Refer to Exhibit 1, Reference Schedule 1.47, of the Rives Testimony.

a. Provide the calculation of the bad debt factor of .31565 percent and confirm that this is the actual factor for the test year.

b. Provide the bad debt factors for calendar years 2006, 2007 and 2008.

c. Describe LG&E's standard policy on when it charges, or writes off, uncollectible accounts as bad debts.

d. For the test year and the 12 months immediately preceding the test year, provide an end-of-period comparison of the level of uncollectible accounts that were 30, 60 and 90 days old.

A-48. a. See table below.

Net charge-offs for the test year ended 10/31/09	$	3,758,722
Billed revenues from ultimate consumers for the twelve months ended 10/31/09	$	1,190,564,434
Revenues eligible for charge-off / actual amounts charged-off during test year		0.32%

b. See table below.

Year	Bad Debt Factor
2006	0.35%
2007	0.19%
2008	0.27%

c. Accounts are written off at 109 days from the final bill due date, or date of last payment activity following final bill, whichever is later.

d. Please see response to (c.) above, the Company does not have uncollectible accounts that are 30, 60, or 90 days old.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 49

Responding Witness: Daniel K. Arbough

Q-49. Refer to the Arbough Testimony at page 2 and Arbough Exhibit 2. The article in the exhibit states "Table 1 in this article is no longer current. It has been superseded by the table found in 'Criteria Methodology: Business Risk/Financial Risk Matrix Expanded,' published May 27, 2009, on RatingsDirect." Provide a copy of this article.

A-49. Please see attached.

STANDARD
&POOR'S

May 27, 2009

Criteria | Corporates | General:

Criteria Methodology: Business Risk/Financial Risk Matrix Expanded

Primary Credit Analysts:
Solomon B Samson, New York (1) 212-438-7653; sol_samson@standardandpoors.com
Emmanuel Dubois-Pelerin, Paris (33) 1-4420-6673; emmanuel_dubois-pelerin@standardandpoors.com

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Criteria | Corporates | General:

Criteria Methodology: Business Risk/Financial Risk Matrix Expanded

(Editor's Note: In the previous version of this article published on May 26, certain of the rating outcomes in the table 1 matrix were misstated. A corrected version follows.)

Standard & Poor's Ratings Services is refining its methodology for corporate ratings related to its business risk/financial risk matrix, which we published as part of 2008 Corporate Ratings Criteria on April 15, 2008, on RatingsDirect at www.ratingsdirect.com and Standard & Poor's Web site at www.standardandpoors.com.

This article amends and supersedes the criteria as published in Corporate Ratings Criteria, page 21, and the articles listed in the "Related Articles" section at the end of this report.

This article is part of a broad series of measures announced last year to enhance our governance, analytics, dissemination of information, and investor education initiatives. These initiatives are aimed at augmenting our independence, strengthening the rating process, and increasing our transparency to better serve the global markets.

We introduced the business risk/financial risk matrix four years ago. The relationships depicted in the matrix represent an essential element of our corporate analytical methodology.

We are now expanding the matrix, by adding one category to both business and financial risks (see table 1). As a result, the matrix allows for greater differentiation regarding companies rated lower than investment grade (i.e., 'BB' and below).

Table 1

Business And Financial Risk Profile Matrix

Business Risk Profile	Financial Risk Profile					
	Minimal	Modest	Intermediate	Significant	Aggressive	Highly Leveraged
Excellent	AAA	AA	A	A-	BBB	--
Strong	AA	A	A-	BBB	BB	BB-
Satisfactory	A-	BBB+	BBB	BB+	BB-	B+
Fair	--	BBB-	BB+	BB	BB-	B
Weak	--	--	BB	BB-	B+	B-
Vulnerable	--	--	--	B+	B	CCC+

These rating outcomes are shown for guidance purposes only. Actual rating should be within one notch of indicated rating outcomes.

The rating outcomes refer to issuer credit ratings. The ratings indicated in each cell of the matrix are the midpoints of a range of likely rating possibilities. This range would ordinarily span one notch above and below the indicated rating.

Business Risk/Financial Risk Framework

Our corporate analytical methodology organizes the analytical process according to a common framework, and it divides the task into several categories so that all salient issues are considered. The first categories involve fundamental business analysis; the financial analysis categories follow.

Our ratings analysis starts with the assessment of the business and competitive profile of the company. Two companies with identical financial metrics can be rated very differently, to the extent that their business challenges and prospects differ. The categories underlying our business and financial risk assessments are:

Business risk

- Country risk
- Industry risk
- Competitive position
- Profitability/Peer group comparisons

Financial risk

- Accounting
- Financial governance and policies/risk tolerance
- Cash flow adequacy
- Capital structure/asset protection
- Liquidity/short-term factors

We do not have any predetermined weights for these categories. The significance of specific factors varies from situation to situation.

Updated Matrix

We developed the matrix to make explicit the rating outcomes that are typical for various business risk/financial risk combinations. It illustrates the relationship of business and financial risk profiles to the issuer credit rating.

We tend to weight business risk slightly more than financial risk when differentiating among investment-grade ratings. Conversely, we place slightly more weight on financial risk for speculative-grade issuers (see table 1, again). There also is a subtle compounding effect when both business risk and financial risk are aligned at extremes (i.e., excellent/minimal and vulnerable/highly leveraged.)

The new, more granular version of the matrix represents a refinement--not any change in rating criteria or standards--and, consequently, holds no implications for any changes to existing ratings. However, the expanded matrix should enhance the transparency of the analytical process.

Financial Benchmarks

Table 2

Financial Risk Indicative Ratios (Corporates)

	FFO/Debt (%)	Debt/EBITDA (x)	Debt/Capital (%)
Minimal	greater than 60	less than 1.5	less than 25
Modest	45-60	1.5-2	25-35
Intermediate	30-45	2-3	35-45
Significant	20-30	3-4	45-50
Aggressive	12-20	4-5	50-60
Highly Leveraged	less than 12	greater than 5	greater than 60

How To Use The Matrix--And Its Limitations

The rating matrix indicative outcomes are what we typically observe--but are not meant to be precise indications or guarantees of future rating opinions. Positive and negative nuances in our analysis may lead to a notch higher or lower than the outcomes indicated in the various cells of the matrix.

In certain situations there may be specific, overarching risks that are outside the standard framework, e.g., a liquidity crisis, major litigation, or large acquisition. This often is the case regarding credits at the lowest end of the credit spectrum--i.e., the 'CCC' category and lower. These ratings, by definition, reflect some impending crisis or acute vulnerability, and the balanced approach that underlies the matrix framework just does not lend itself to such situations.

Similarly, some matrix cells are blank because the underlying combinations are highly unusual--and presumably would involve complicated factors and analysis.

The following hypothetical example illustrates how the tables can be used to better understand our rating process (see tables 1 and 2).

We believe that Company ABC has a satisfactory business risk profile, typical of a low investment-grade industrial issuer. If we believed its financial risk were intermediate, the expected rating outcome should be within one notch of 'BBB'. ABC's ratios of cash flow to debt (35%) and debt leverage (total debt to EBITDA of 2.5x) are indeed characteristic of intermediate financial risk.

It might be possible for Company ABC to be upgraded to the 'A' category by, for example, reducing its debt burden to the point that financial risk is viewed as minimal. Funds from operations (FFO) to debt of more than 60% and debt to EBITDA of only 1.5x would, in most cases, indicate minimal.

Conversely, ABC may choose to become more financially aggressive--perhaps it decides to reward shareholders by borrowing to repurchase its stock. It is possible that the company may fall into the 'BB' category if we view its financial risk as significant. FFO to debt of 20% and debt to EBITDA 4x would, in our view, typify the significant financial risk category.

Still, it is essential to realize that the financial benchmarks are guidelines, neither gospel nor guarantees. They can vary in nonstandard cases: For example, if a company's financial measures exhibit very little volatility, benchmarks may be somewhat more relaxed.

Moreover, our assessment of financial risk is not as simplistic as looking at a few ratios. It encompasses:

- a view of accounting and disclosure practices;
- a view of corporate governance, financial policies, and risk tolerance;
- the degree of capital intensity, flexibility regarding capital expenditures and other cash needs, including acquisitions and shareholder distributions; and
- various aspects of liquidity--including the risk of refinancing near-term maturities.

The matrix addresses a company's standalone credit profile, and does not take account of external influences, which would pertain in the case of government-related entities or subsidiaries that in our view may benefit or suffer from affiliation with a stronger or weaker group. The matrix refers only to local-currency ratings, rather than foreign-currency ratings, which incorporate additional transfer and convertibility risks. Finally, the matrix does not apply to project finance or corporate securitizations.

Related Articles

Industrials' Business Risk/Financial Risk Matrix--A Fundamental Perspective On Corporate Ratings, published April 7, 2005, on RatingsDirect.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 50

Responding Witness: Daniel K. Arbough

Q-50. Refer to the Direct Testimony of William E. Avera ("Avera Testimony") at page 9.

a. To the extent that LG&E's capital requirements are satisfied through its parent, explain how E.ON and, ultimately, LG&E actually obtain this capital.

b. Explain the role that LG&E's credit ratings from Moody's and Standard & Poor's plays in LG&E's obtaining capital from its parent.

c. To the extent that LG&E issues tax-exempt debt securities to satisfy its capital needs, explain the role that LG&E's credit ratings from Moody's and Standard & Poor's plays in the issuance of this debt.

d. To the extent that LG&E issues tax-exempt debt, explain whether the parent company is liable in any way for repayment.

e. To the extent that LG&E issues tax-exempt debt, explain how LG&E is able to issue this type of debt and how it actually occurs.

A-50. a. E.ON raises capital in a variety of ways to fund the needs of LG&E. It retains profits from operations worldwide and raises debt through a variety of short-term and long-term sources. These include borrowings from short-term lines of credit, issuance of commercial paper, and issuance of long-term bonds. These activities occur in a variety of currencies which E.ON converts to dollars. E.ON then loans these funds to Fidelia, which in turn, loans the funds to LG&E.

c. The loans from Fidelia to LG&E are priced using the Best Rate Method approved by the KPSC. The Best Rate Method requires LG&E to obtain three quotes from investment banks for the interest rate at which LG&E could issue first mortgage bonds. The quotes provided by the investment banks are based on the credit rating of LG&E. For example, the LG&E unsecured debt ratings are BBB+/A2, and the banks' quotes are based on secured ratings of A-/A (the first mortgage bond rating of LG&E prior to the elimination of the first mortgage bond program). If the credit ratings were lowered, the quoted borrowing rates for LG&E would be higher. E.ON AG also obtains three quotes for its borrowing costs for a term equal to the loan being provided to LG&E. Under the Best Rate Method, the interest rate of the loan from Fidelia is the lower of a) the lowest of the three bids obtained by LG&E and b) the average of the three bids obtained by E.ON AG.

c. When LG&E issues tax-exempt bonds into the public market, the rating of the company is one piece of information that determines the interest rate investors demand. Higher ratings result in lower interest rates and lower ratings result in higher interest rates.

d. When LG&E issues tax-exempt bonds the parent company is not liable in any way.

e. For LG&E to issue tax-exempt debt, it must have qualifying expenditures. Under the current law, the only LG&E expenditures that qualify are solid waste disposal projects. Once the company identifies that it has qualifying expenditures, it must obtain an allocation of the state tax-exempt bond cap from the Kentucky Private Activity Bond Allocation Committee. In the case of LG&E, all tax-exempt bonds are issued by the county in which the qualifying expenditures occurred. Consequently, the respective county fiscal court must approve the issuance of bonds and lending the proceeds of the issuance to LG&E. LG&E is responsible for paying all debt service costs under the bonds issued by the county and the investors have no recourse to the county. The KPSC must also approve the long-term debt before LG&E can issue the bonds.

   Once all approvals have been obtained, bond documents are drafted and a public bond offering statement is prepared. An investment bank is selected by LG&E to sell the bonds to public investors. In some cases, the bonds are issued in a variable rate mode and the investment bank is responsible for remarketing the bonds to investors on a regular basis.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

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Question No. 51

Responding Witness: William E. Avera

Q-51. Refer to the Avera Testimony at pages 10 – 12. Provide a copy of the documents referenced in footnotes 3 – 14.

A-51. The documents referenced in footnotes 3 – 14 are contained in the response to AG-1 Question No. 190 and are as follows:

Footnote No.	File Reference
3	WEA WP-1
4	WEA WP-2
5	WEA WP-3
6	WEA WP-4
7	WEA WP-5
8	WEA WP-9
9	WEA WP-10
10	WEA WP-11
11	WEA WP-12
12	WEA WP-13
13	WEA WP-14
14	WEA WP-15

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 52

Responding Witness: Robert M. Conroy/William E. Avera

Q-52. Refer to the Avera Testimony at page 13.

a. Provide a copy of the document referenced in footnote 15 and copies of comparable six-month industry updates for 2009.

b. Explain whether LG&E has requested that the Commission alter its FAC and GCA mechanisms to recover costs in a more timely fashion in order to alleviate investor concerns regarding the lag between expenses incurred and recovered through rates.

c. Explain how LG&E's not earning a return on its fuel, purchased power, or natural gas costs is related to whether it is insulated from fluctuations in its power and gas supply costs.

d. Explain whether LG&E is proposing to earn a return on fuel, purchased power, or natural gas costs in addition to the recovery of its actual costs for these activities.

e. Provide a list of utilities earning a return on fuel, purchased power, or natural gas costs and an explanation of how that is related to exposure to fluctuations in power and gas supply costs.

f. Provide a list of states whose utility regulatory commissions have explicitly authorized the electric or gas utility to earn a return on fuel, purchased power, or natural gas costs and a copy of the order.

g. The fuel, purchased power, or natural gas procurement process is well established in Kentucky and should be well understood by LG&E. Provide an explanation of what actions this Commission has taken to heighten either company or investor concerns regarding disallowances and how this relates to exposure to fluctuations in power and gas supply costs.

A-52. a. The document referenced in Dr. Avera's testimony regarding footnote 15 is contained in the response to AG-1 Question No. 190 and is referenced as WEA WP-16 on the CD provided. A copy of the comparable publication for July 2009 is in the attached CD, in the folder titled, Question No. 52.

b. LG&E has not requested that the Commission alter either its Fuel Adjustment Clause or the Gas Supply Clause mechanisms. The current operation of these two mechanisms allows for near real-time cost recovery of the variance in fuel and natural gas prices. The intent of the cited testimony is to clarify that not all fuel or natural gas costs may be ultimately recoverable from retail customers, and that despite the significant resources dedicated to fuel and natural gas management, the area will not contribute to LG&E's earnings.

c. As noted in Dr. Avera's testimony, while LG&E's exposure to energy cost volatility is partially mitigated through adjustment mechanisms, investors recognize the ongoing need to finance deferred power production and supply costs. Investors are also aware that LG&E invests considerable resources to manage fuel procurement, even though the best that the Company can do is to recover its actual costs. As a result, in evaluating their perceptions of risks and required returns, investors would consider that, despite the fact that LG&E earns no return on fuel costs, the Company is exposed to ongoing uncertainties over the timing of cost recoveries, the potential for disallowances, and the potential need to finance deferred energy cost balances.

d. No, LG&E is not proposing to earn a return on fuel, purchased power costs, or natural gas costs.

e. Dr. Avera has not conducted any detailed study to identify those utilities that may be permitted to earn a return on fuel costs; nor was such a study necessary to support his analyses and conclusions. Dr. Avera is aware that Baltimore Gas and Electric Company is permitted to recover an administrative charge that includes a shareholder return component.

f. Please refer to the response to subpart (e), above.

g. Dr. Avera's testimony at page 12 did not claim that the Commission had taken any steps to heighten the risks associated with LG&E's ability to recover its power supply costs. Rather, his testimony explained that, despite regulatory provisions that allow for periodic rate adjustments to reflect changes in power costs, investors nonetheless recognize that utilities such as LG&E remain exposed to the potential need to finance power cost deferrals, especially during times of volatile energy prices, as well as to disallowances.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 53

Responding Witness: William E. Avera

Q-53. Refer to the Avera Testimony at pages 14 - 15. Provide a copy of the documents referenced in footnotes 16 - 23.

A-53. The documents referenced in footnotes 16 – 23 are contained in the response to AG Question No. 190 and are as follows:

Footnote No.	File Reference
16	WEA WP-17
17	WEA WP-12
18	WEA WP-18
19	WEA WP-19
20	WEA WP-20
21	WEA WP-3
22	WEA WP-21
23	WEA WP-21

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 54

Responding Witness: Daniel K. Arbough/William E. Avera

Q-54. Refer to the Avera Testimony at pages 17 – 18.

a. Provide a copy of the documents referenced in footnotes 26 – 33.

b. Provide the data supporting the assertion that commercial and manufacturing demand in 2009 fell 8.3 percent from 2008 levels.

A-54. a. The documents referenced in footnotes 26 – 33 are contained in the response to AG-1 Question No. 190 and are as follows:

Footnote No.	File Reference
26	WEA WP-24
27	WEA WP-25
28	WEA WP-12
29	WEA WP-14
30	WEA WP-26
31	WEA WP-27
32	WEA WP-28
33	WEA WP-29

b. Commercial and industrial sales (in Gwh's) fell from 6,574 in 2008 to 6,029 in 2009, a decline of 8.3%.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 55

Responding Witness: William E. Avera

Q-55. Refer to the Avera Testimony at page 19.

a. Kentucky is not a restructured state. Explain how investors' views of utilities differ between restructured and traditionally regulated states.

b. Explain whether this Commission has acted in any way that would give investors reason to doubt that LG&E would be able to recover its costs in a timely fashion or in a manner that would lead investors to view the regulatory environment in Kentucky as hostile.

A-55. a. While specific differences in regulatory structure are considered by investors, the investment community recognizes that utilities are largely exposed to the same key risk factors identified in Dr. Avera's testimony; including uncertainties over cost recovery and regulatory lag, the financial pressures associated with capital expenditures, and the impact of economic and capital market uncertainties. Dr. Avera has conducted no studies to identify differences in the specific regulatory provisions for each of the jurisdictions in which the companies in the Utility Proxy Group operate because this was not necessary to support his analyses and conclusions. Rather, as explained in his testimony, Dr. Avera's evaluation focused on objective, published benchmarks for investment risks that are widely relied on by investors and in developing risk-comparable proxy groups for the purpose of estimating a fair ROE in regulatory proceedings. These risk measures also consider the impact of differences in the regulatory and industry circumstances faced by the proxy utilities.

b. Dr. Avera's testimony did not claim that the Commission had taken any steps that would lead investors to view the regulatory environment in Kentucky as "hostile." On the contrary, Dr. Avera recognized that cost recovery mechanisms approved by the Commission were supportive of LG&E's financial integrity. At the same time, the investment community recognizes that the continuation of supportive regulation remains crucial to the Company's access to capital and investors recognize that regulatory risk is a key factor in their evaluation of a fair ROE.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 56

Responding Witness: William E. Avera

Q-56. Refer to Exhibit WEA-2 and the Avera Testimony at page 25. If available, for each utility listed in the Utility Proxy Group and for LG&E, provide:

a. The most current Value Line company profile sheet;

b. The 2008 gross revenue and number of customers served;

c. The percent of revenues and net income derived from regulated and non-regulated operations, including international operations for 2008 and for 2009 if available;

d. Whether the utility operates in traditional or restructured states; and

e. For each electric utility listed in Value Line, but not selected for the Utility Proxy Group, provide the reason that it was not selected.

A-56. a. To the extent available, copies of the most current Value Line reports for the companies in the Utility Proxy Group are attached. These Value Line reports supplement those contained on the CD in response to AG-1 Question No. 190 and referenced as WEA WP-49.

b. Dr. Avera did not compile the requested information in the course of preparing his direct testimony because it was not necessary to support his analyses and conclusions. To the extent it is available, information responsive to this request can be obtained from the individual Form 10-K Reports filed by the respective utilities in Dr. Avera's proxy group, which are publicly available at http://www.sec.gov/edgar/searchedgar/companysearch.html.

c. Please refer to the response to subpart (b), above.

d. Please refer to the response to subpart (b), above.

e. The requested information is included in the Excel workbook (WEA WP-58) provided in response to AG-1 Question No. 190

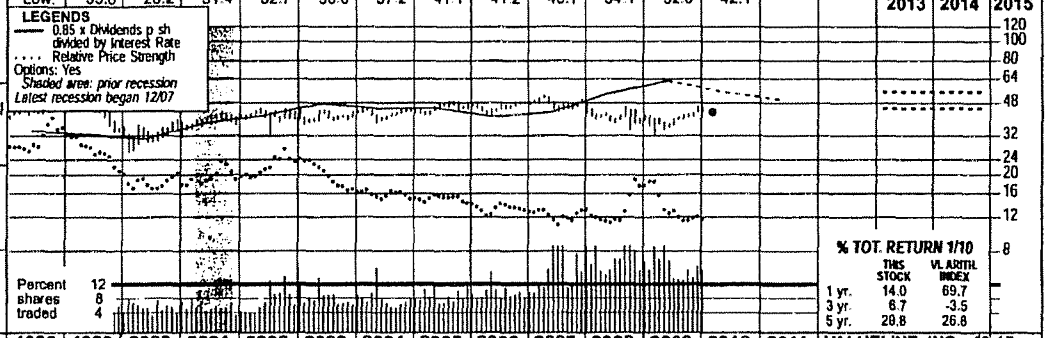
CON. EDISON NYSE-ED

RECENT PRICE 42.95 | P/E RATIO 13.5 (Trailing: 13.9 Median: 14.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 5.5% | VALUE LINE

TIMELINESS 3 Lowered 4/17/09
SAFETY 1 New 7/27/90
TECHNICAL 2 Raised 2/19/10
BETA .65 (1.00 = Market)

High:	53.4	39.5	43.4	45.4	48.0	45.6	49.3	49.3	52.9	49.3	46.3	46.4
Low:	33.6	26.2	31.4	32.7	36.6	37.2	41.1	41.2	43.1	34.1	32.6	42.1

LEGENDS
—— 0.85 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



Target Price Range
2013 | 2014 | 2015

2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+30%)	11%
Low	45	(+5%)	6%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	4	0	0	2	0	0	1
Options	0	0	0	0	0	0	0	0	1
to Sell	0	1	0	0	0	0	0	1	2

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	222	207	181
to Sell	194	206	206
Hld's(000)	119556	116810	116733

Percent shares traded 12 8 4

% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	14.0	69.7
3 yr.	6.7	-3.5
5 yr.	29.8	26.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	VALUELINE, INC.	13-15
27.13	27.82	29.62	30.24	30.46	35.04	44.48	45.41	39.65	43.51	40.24	47.66	47.14	48.23	49.62	47.05	49.10	50.90	Revenues per sh	55.05
4.77	4.87	4.97	5.08	5.29	5.74	5.51	5.70	5.44	5.12	4.54	5.27	5.28	5.77	5.99	5.80	5.95	6.35	"Cash Flow" per sh	6.75
2.98	2.93	2.93	2.95	3.04	3.13	2.74	3.21	3.13	2.83	2.32	2.99	2.95	3.48	3.36	3.16	3.30	3.50	Earnings per sh A	3.85
2.00	2.04	2.08	2.10	2.12	2.14	2.18	2.20	2.22	2.24	2.26	2.28	2.30	2.32	2.34	2.36	2.38	2.40	Div'd Decl'd per sh B ■	2.46
3.22	2.95	2.87	2.78	2.66	3.17	4.52	5.20	5.68	5.72	5.60	6.59	7.17	7.09	8.48	6.50	6.65	6.50	Cap'l Spending per sh	7.10
22.62	23.51	24.37	25.18	25.88	25.31	25.81	26.71	27.68	28.44	29.09	29.80	31.09	32.58	35.43	36.10	37.25	37.70	Book Value per sh C	41.10
234.91	234.96	234.99	235.49	232.83	213.81	212.03	212.15	213.93	225.84	242.51	245.29	257.46	272.02	273.72	277.00	279.00	281.00	Common Shs Outst'g D	287.00
9.3	9.8	10.1	10.9	15.3	14.0	12.0	12.0	13.3	14.3	18.2	15.1	15.5	13.8	12.3	12.5	Bold figures are	Value Line	Avg Ann'l P/E Ratio	13.5
.61	.66	.63	.63	.80	.80	.78	.61	.73	.82	.96	.80	.84	.73	.74	.82	estimates		Relative P/E Ratio	.90
7.2%	7.1%	7.0%	6.5%	4.6%	4.8%	6.6%	5.7%	5.3%	5.5%	5.3%	5.0%	5.0%	4.8%	5.7%	6.0%			Avg Ann'l Div'd Yield	4.7%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $10773 mill. Due in 5 Yrs $2128 mill.
LT Debt $9376 mill. LT Interest $585.0 mill.
(LT interest earned: 3.7x)
Pension Assets-12/08 $5.8 bill. Oblig. $9.3 bill.

Pfd Stock $212.6 mill. Pfd Div'd $12.5 mill.
1,915,319 shs. $5 cum. no par, call. $105 a sh.;
375,626 shs. 4.65% cum. $100 par, call. $101 to $102.50 a sh. Sinking Fund ends 2009.

Common Stock 275,491,885 shs.
as of 10/29/09.
MARKET CAP: $11.8 billion (Large Cap)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		13-15
9431.4	9634.0	8482.0	9827.0	9758.0	11690	12137	13120	13583	13032	13700	14300	Revenues ($mill)	15800
596.4	695.8	682.1	639.0	560.0	719.0	749.0	936.0	922.0	879.0	920	985	Net Profit ($mill)	1110
34.8%	40.0%	36.9%	33.7%	34.3%	33.6%	35.2%	32.6%	35.0%	35.0%	35.0%	35.0%	Income Tax Rate	35.0%
1.2%	1.3%	2.2%	4.2%	7.7%	2.2%	1.6%	1.9%	2.0%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
48.6%	48.2%	50.1%	50.4%	47.4%	49.6%	50.2%	45.6%	48.8%	49.0%	48.5%	48.5%	Long-Term Debt Ratio	48.5%
49.1%	49.6%	48.1%	48.0%	51.0%	49.0%	48.5%	53.1%	51.2%	51.0%	51.5%	51.5%	Common Equity Ratio	51.5%
11137	11417	12302	13369	13828	14921	16515	16687	18930	19620	20175	20500	Total Capital ($mill)	22800
11893	12248	13329	15225	16106	17112	18445	19914	20874	22000	23500	24600	Net Plant ($mill)	27800
7.0%	7.8%	7.1%	6.3%	5.6%	6.3%	6.0%	7.0%	6.2%	6.0%	6.0%	6.0%	Return on Total Cap'l	6.0%
10.4%	11.8%	11.1%	9.6%	7.7%	9.6%	9.1%	10.3%	9.5%	8.5%	9.0%	9.5%	Return on Shr. Equity	9.5%
10.7%	12.0%	11.3%	9.8%	7.8%	9.7%	9.2%	10.4%	9.5%	8.5%	9.0%	9.5%	Return on Com Equity E	9.5%
2.2%	3.8%	4.0%	2.9%	.8%	2.6%	2.6%	3.9%	3.1%	2.0%	2.5%	3.0%	Retained to Com Eq	3.5%
80%	69%	65%	71%	89%	74%	73%	63%	67%	75%	72%	69%	All Div'ds to Net Prof	64%

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	-1.9	-1.6	-1.5
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	565	565	565
Peak Load, Summer (Mw)	13141	12807	12987
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+.8	+.9	+.9
Fixed Charge Cov. (%)	312	291	548

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	5.0%	2.5%	2.0%
"Cash Flow"	1.0%	1.0%	2.5%
Earnings	1.0%	1.5%	2.5%
Dividends	1.0%	1.0%	1.0%
Book Value	3.0%	3.5%	3.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	3357	2956	3579	3228	13120
2008	3577	3149	3858	2999	13583
2009	3423	2845	3489	3275	13032
2010	3450	3150	3800	3300	13700
2011	3550	3300	3950	3500	14300

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.99	.58	1.15	.76	3.48
2008	1.10	1.02	.66	.58	3.36
2009	.78	.48	1.16	.74	3.16
2010	.80	.55	1.10	.85	3.30
2011	.82	.63	1.15	.90	3.50

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.575	.575	.575	.575	2.30
2007	.58	.58	.58	.58	2.32
2008	.585	.585	.585	.585	2.34
2009	.59	.59	.59	.59	2.36
2010					

BUSINESS: Consolidated Edison, Inc., parent of Consolidated Edison Company of New York, Inc., sells electricity (75% of revs.), gas (19%), steam (6%) in most of New York City and Westchester County. Acquired Orange & Rockland Utilities 7/99. Commercial rev. ratio (54%) compares with 32% for the industry. Nonincome taxes and avg. price per kwh are among the highest in U.S. Fuel costs: 56% of revenues; labor costs, 14%. 2008 reported deprec. rate: 5.3%. In '08, purchased almost all energy it sold on firm contracts with nonutility generators. Has 15,628 employees. Chairman, Chief Executive Officer & President: Kevin Burke. Incorporated: New York. Address: 4 Irving Place, New York, N.Y. 10003. Telephone: 212-460-3903. Internet: www.coned.com.

Despite economic woes, Con Edison posted decent results in 2009. The New York-based utility reported annual earnings of $3.16 a share. Performance was largely driven by favorable rate increases, which added about $351 million, or $1.28 a share, to the bottom line. Negative drivers included higher O&M costs, depreciation, and property taxes.

A favorable ruling in the company's rate case is important. ConEd is still awaiting a decision on its three-year electric rate plan filed last November. The case is currently being reviewed by the New York Public Service Commission with a ruling scheduled for March. If approved, higher rates would take effect April 1st, and would be based on a reasonable 10.15% allowed return on common equity. In our view, the settlement could offer greater regulatory certainty and increased return potential for ConEd down the road.

We are projecting 2010 share earnings of $3.30, *assuming a favorable ruling in its rate settlement case. However, based on management's most recent guidance, our current estimate reflects the assumption that ConEd will not be able to earn its allowed return on equity of 10.15% in 2010 (rate specified in November's settlement).* In order to earn its allowed ROE, we believe the company will likely need to cut costs, which in our view could take a few years. As a result, we do not believe ConEd will be able to earn its allowed ROE until 2011 or possibly 2012. Accordingly, 2010 could be challenging, with better earned return likely in 2011 and 2012.

The dividend is well covered. Management recently announced it raised its quarterly payout on its common stock to $0.595 a share, up from $0.59. The increase marks the 36th consecutive year in which Con Edison has raised its dividend. Moreover, a consistent earnings stream ought to provide for further increases in the years ahead. We project annual dividend growth of about 1% out to 2013-2015.

These high-quality shares may interest income-oriented investors. The main appeal of Con Edison stock is its healthy dividend yield of 5.5% (well above the industry's 4.7% average). Also, these shares are ranked 1 (Highest) in regard to Safety.

Michael Ratty *February 26, 2010*

(A) EPS diluted. Excl. nonrecur. losses: '02, 11¢; '03, 45¢. Next egs. report due early May. (B) Dividends historically paid in mid-Mar., mid-June, mid-Sept., and mid-Dec. ■ Div'd reinvest. plan avail. (C) Incl. intangibles. At 6/30/09: $8.3 billion, $30.10/sh. (D) In millions. (E) Rate base: net original cost. Rate all'd elec. common equity: '09, 10.0%; earned on '08 average common equity: 12.7%. Regulatory Climate: Below Average.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	45
Earnings Predictability	80

DOMINION RES. NYSE-D

RECENT PRICE **38.24** | P/E RATIO **13.1** (Trailing: 12.8; Median: 16.0) | RELATIVE P/E RATIO **0.80** | DIV'D YLD **4.8%** | VALUE LINE

High:	24.7	34.0	35.0	33.5	33.0	34.4	43.5	42.2	49.4	48.5	39.8	39.6
Low:	18.3	17.4	27.6	17.7	25.9	30.4	33.3	34.4	39.8	31.3	27.1	36.1

Target Price Range 2013 | 2014 | 2015

TIMELINESS 3 Lowered 2/13/09

SAFETY 2 Raised 9/11/98

TECHNICAL 2 Raised 2/5/10

BETA .70 (1.00 = Market)

2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+55%)	16%
Low	45	(+20%)	9%

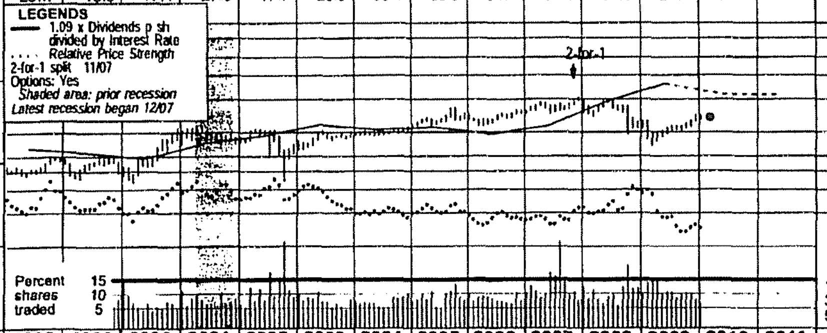
Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	4	2	0	1	2	1	2
to Sell	0	0	3	2	0	1	2	1	2

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	300	299	295
to Sell	312	292	291
Hld's(000)	339441	333418	337117

LEGENDS
— 1.09 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 11/07
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	12.3	69.7
3 yr.	2.2	-3.5
5 yr.	31.4	26.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
13.02	13.18	13.36	20.44	15.65	14.81	18.84	19.94	16.58	18.58	20.55	26.00	23.61	27.17	27.93	25.30	28.20	29.45	Revenues per sh	33.25
3.16	3.00	3.22	3.89	2.99	3.68	3.71	3.92	4.45	3.97	4.18	3.71	4.91	5.08	5.07	5.10	5.65	5.90	"Cash Flow" per sh	7.00
1.41	1.23	1.33	1.50	.86	1.50	1.25	1.49	2.41	1.96	2.13	1.50	2.40	2.13	3.04	2.93	3.30	3.40	Earnings per sh A	4.00
1.28	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.29	1.30	1.34	1.38	1.46	1.58	1.75	1.83	1.91	Div'd Decl'd per sh B ■ †	2.15
1.92	1.64	1.34	1.73	1.60	2.16	2.82	2.31	2.17	5.20	3.88	4.84	5.81	6.89	6.09	6.40	6.10	6.20	Cap'l Spending per sh	7.00
13.30	13.44	13.59	13.42	13.67	12.75	14.22	15.81	16.57	16.21	16.80	14.98	18.50	16.31	17.28	18.80	20.30	22.00	Book Value per sh C	28.00
344.81	352.83	362.44	375.60	388.92	372.64	491.60	529.40	616.20	650.00	680.00	694.00	698.00	576.80	583.20	598.00	598.00	604.00	Common Shs Outst'g D	616.00
13.8	15.4	14.8	12.5	24.6	14.5	19.4	20.9	12.0	15.2	15.1	24.9	16.0	20.6	13.8	11.5	Bold figures are		Avg Ann'l P/E Ratio	13.0
.91	1.03	.93	.72	1.28	.83	1.26	1.07	.66	.87	.80	1.33	.86	1.09	.83	.76	Value Line		Relative P/E Ratio	.85
6.6%	6.9%	6.6%	6.9%	6.1%	5.9%	5.3%	4.1%	4.4%	4.3%	4.0%	3.6%	3.6%	3.3%	3.8%	5.2%	estimates		Avg Ann'l Div'd Yield	4.1%

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		13-15
9260.0	10558	10218	12078	13972	18041	16482	15674	16290	15144	16850	17800	Revenues ($mill)	20500
624.0	775.0	1378.0	1261.0	1425.0	1050.0	1704.0	1414.0	1781.0	1759.0	2000	2075	Net Profit ($mill)	2500
31.7%	38.4%	33.1%	34.9%	35.4%	35.7%	35.5%	33.4%	37.1%	33.7%	36.5%	36.5%	Income Tax Rate	36.5%
3.5%	5.3%	6.9%	7.9%	4.9%	9.7%	7.9%	7.3%	4.9%	6.0%	5.0%	5.0%	AFUDC % to Net Profit	4.0%
58.3%	60.2%	56.2%	59.4%	57.0%	57.9%	52.9%	57.8%	59.1%	57.4%	58.0%	56.5%	Long-Term Debt Ratio	54.0%
38.9%	38.0%	42.7%	39.7%	42.0%	41.1%	46.2%	41.1%	39.8%	41.7%	41.5%	43.0%	Common Equity Ratio	45.5%
17987	22003	23927	26571	27190	25307	27961	22898	25290	26976	29325	31075	Total Capital ($mill)	38100
14849	18681	20257	25850	26716	28940	29382	21352	23274	25592	27825	30075	Net Plant ($mill)	37500
5.9%	5.3%	7.7%	6.5%	6.9%	6.1%	7.9%	8.0%	8.7%	8.5%	8.5%	8.5%	Return on Total Cap'l	8.5%
8.3%	8.9%	13.2%	11.7%	12.2%	9.9%	12.9%	14.6%	17.2%	15.3%	16.0%	15.5%	Return on Shr. Equity	14.0%
8.0%	9.0%	13.3%	11.8%	12.3%	9.9%	13.1%	14.9%	17.5%	15.5%	16.5%	15.5%	Return on Com Equity E	14.5%
NMF	1.2%	6.3%	4.0%	4.8%	1.1%	5.6%	5.0%	8.4%	6.3%	7.5%	7.0%	Retained to Com Eq	6.5%
109%	87%	54%	67%	62%	89%	58%	67%	52%	60%	56%	56%	All Div'ds to Net Prof	54%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $17581 mill. **Due in 5 Yrs** $5207.0 mill.
LT Debt $16223 mill. **LT Interest** $1079.0 mill.
(LT interest earned: 4.5x)
Leases, Uncapitalized Annual rentals $121.0 mill.
Pension Assets-12/08 $3.76 bill. **Oblig.** $3.89 bill

Pfd Stock $257.0 mill. **Pfd Div'd** $16.0 mill.
1,340,140 shs. $4.04-$7.05, $100 liq. pref., redeemable at $101.00-$112.50/sh.; 2,500,000 var. rate Money Market Pfd. shs. Excl. pfd. due within 1 year.
Common Stock 597,240,826 shs.

MARKET CAP: $23 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	-1.8	+4.9	-1.5
Avg. Indust. Use (MWH)	16014	16221	16326
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.7	+.6	+1.1
Fixed Charge Cov. (%)	293	300	383

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	5.0%	7.5%	3.5%
"Cash Flow"	4.0%	4.0%	5.0%
Earnings	7.5%	5.5%	7.0%
Dividends	1.5%	2.5%	5.5%
Book Value	2.5%	1.5%	7.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	4661	3730	3589	3694	15674
2008	4353	3399	4365	4173	16290
2009	4778	3450	3648	3268	15144
2010	4950	3600	4200	4100	16850
2011	5250	3800	4400	4350	17800

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.69	.48	.44	.51	2.13
2008	1.01	.51	.92	.60	3.04
2009	.89	.78	1.00	.28	2.93
2010	.95	.65	1.05	.65	3.30
2011	.95	.65	1.10	.70	3.40

Calendar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.345	.345	.345	.345	1.38
2007	.355	.355	.355	.395	1.46
2008	.395	.395	.395	.395	1.58
2009	.4375	.4375	.4375	.4375	1.75
2010	.4575				

BUSINESS: Dominion Resources, Inc. (DRI) is a holding company for Virginia Power, which serves 2.4 million customers in Virginia and northeastern North Carolina. Acquired Consolidated Natural Gas (1.7 million customers in OH, PA & WV) 1/00. Nonutility operations include independent power production and gas & oil production. Electric revenue breakdown, '08: residential, 42%; commercial, 31%; industrial, 8%; other, 19%. Generating sources, '08: coal, 33%; nuclear, 31%; gas, 6%; oil, 1%; purchased, 29%. Fuel costs: 48% of revs. '08 reported deprec. rates: 2.1%-4.4%. Has 18,000 employees. Chairman, President & CEO: Thomas F. Farrell II. Inc.: Virginia. Address: P.O. Box 26532, Richmond, Virginia 23261-6532. Tel.: 804-819-2000. Internet: www.dom.com.

Dominion Resources' utility subsidiary is awaiting a commission ruling on its rate settlement. Although the agreement has not yet been approved by the Virginia commission, in the fourth quarter of 2009, Virginia Power took an aftertax charge of $510 million ($0.52 a share) for a refund of previously collected revenues. We *included* this charge in our earnings presentation. That's the negative aspect of the settlement. The positive one is that the allowed return on equity would be set at 11.9%, which is higher than most utilities' allowed ROE. A decision is expected in late March or early April.

Earnings are likely to increase in 2010, since the fourth-quarter charge for the settlement will be behind the company. Our estimate is at the midpoint of Dominion's targeted range of $3.20-$3.40 a share. We expect earnings to increase in 2011, as well. The utility will benefit from the addition of a 590-megawatt gas-fired plant with an expected cost of $597 million. If the regulatory settlement is approved, Virginia Power would be allowed an incentive ROE of 12.3% on this asset, as well as a coal-fired plant that is due on line in 2012.

Dominion has completed the sale of its gas utility in Pennsylvania. The sale raised $542 million, which Dominion will use for debt reduction. The company had reached a deal to sell its West Virginia utility as well, but the state commission did not approve the sale.

Dominion plans to sell some acreage in the Marcellus shale region in Pennsylvania and West Virginia. Gas exploration and production companies drill there, but since Dominion isn't an E&P company, it feels that it is best served by selling these properties. The company will use the proceeds to offset the equity it would have otherwise issued in 2010.

The board of directors has raised the quarterly dividend by $0.02 a share (4.6%). This will bring the payout ratio to, or near, Dominion's target of 55%. The directors *might* raise this target as the proportion of corporate profits from regulated activities continues to increase.

This stock's yield and 3- to 5-year total return potential are a bit above average for a utility.

Paul E. Debbas, CFA *February 26, 2010*

(A) Excl. nonrec. gains (losses): '01, (42¢); '03, ($1.46); '04, (22¢); '06, (18¢); '07, $1.67; '08, 12¢; '09, (47¢); gain (losses) from disc. ops.: '04, (3¢); '05, 1¢; '06, (26¢); '07, (1¢). '07 & '09 EPS don't add due to change in shs. Next egs. report due late Apr. (B) Div'ds historically paid in mid-Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '08: $11.05/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost, adj. Rate all'd on com. eq. in '92: 11.4%; earn. on avg. com. eq., '08: 18.2%. Reg. Clim.: Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	70

DUKE ENERGY NYSE-DUK

RECENT PRICE 16.25 | P/E RATIO 12.9 (Trailing: 14.4; Median: NMF) | RELATIVE P/E RATIO 0.79 | DIV'D YLD 6.0% | VALUE LINE

High:	21.3	20.6	17.9	17.5				**Target Price Range**	
Low:	16.9	13.5	11.7	16.0				**2013 | 2014 | 2015**	

TIMELINESS 3 Raised 11/27/09
SAFETY 2 New 6/1/07
TECHNICAL 2 Raised 2/12/10
BETA .65 (1.00 = Market)

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area: prior recession
Latest recession began 12/07

2013-15 PROJECTIONS

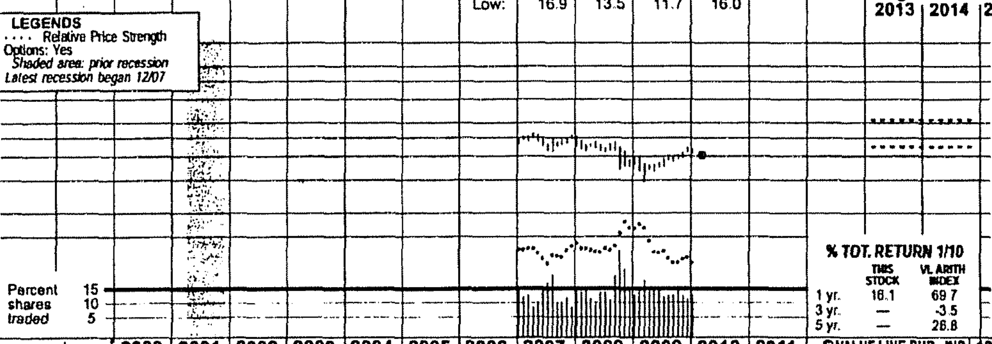
	Price	Gain	Ann'l Total Return
High	25	(+55%)	16%
Low	18	(+10%)	9%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	2	0	0	0	0	0	1	0
Options	1	0	2	0	1	1	0	3	1
to Sell	0	0	1	0	2	0	0	2	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	341	343	313
to Sell	352	337	336
Hld's(000)	658639	671678	662781



% TOT. RETURN 1/10

	THIS STOCK	VL ARITH INDEX
1 yr.	16.1	69.7
3 yr.	—	-3.5
5 yr.	—	26.8

Duke Energy Corporation, in its current configuration, began trading on January 3, 2007, *the day after it spun off its midstream* gas operations into a new company, Spectra Energy (NYSE: SE), to shareholders. Duke Energy shareholders received half a share of Spectra Energy for each Duke share held. Data for the "old" Duke Energy are not shown because they are not comparable.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
--	--	--	--	--	--	8.44	10.08	10.38	9.75	10.05	10.50	Revenues per sh	12.25
--	--	--	--	--	--	2.62	2.70	2.45	2.55	2.65	2.80	"Cash Flow" per sh	3.25
--	--	--	--	--	--	.92	1.20	1.01	1.13	1.30	1.35	Earnings per sh A	1.50
--	--	--	--	--	--	--	.86	.90	.94	.97	.99	Div'd Decl'd per sh B ■ †	1.10
--	--	--	--	--	--	2.69	2.48	3.45	3.50	3.90	3.80	Cap'l Spending per sh	3.75
--	--	--	--	--	--	20.77	16.80	16.50	16.70	17.05	17.40	Book Value per sh C	18.75
--	--	--	--	--	--	1257.0	1262.0	1272.0	1309.0	1335.0	1335.0	Common Shs Outst'g D	1335.0
--	--	--	--	--	--	--	16.1	17.3	13.3	*Bold figures are*		Avg Ann'l P/E Ratio	14.0
--	--	--	--	--	--	--	.85	1.04	.88	*Value Line*		Relative P/E Ratio	.95
--	--	--	--	--	--	--	4.4%	5.2%	6.2%	*estimates*		Avg Ann'l Div'd Yield	5.2%
--	--	--	--	--	--	10607	12720	13207	12731	13400	14800	Revenues ($mill)	16500
--	--	--	--	--	--	1080.0	1522.0	1279.0	1471.0	1725	1825	Net Profit ($mill)	2030
--	--	--	--	--	--	29.4%	31.9%	32.5%	34.4%	31.0%	31.0%	Income Tax Rate	31.0%
--	--	--	--	--	--	6.9%	7.2%	16.0%	17.3%	22.0%	19.0%	AFUDC % to Net Profit	13.0%
--	--	--	--	--	--	41.0%	30.9%	38.7%	42.4%	44.0%	44.0%	Long-Term Debt Ratio	49.0%
--	--	--	--	--	--	59.0%	69.1%	61.3%	57.6%	56.0%	56.0%	Common Equity Ratio	51.0%
--	--	--	--	--	--	44220	30697	34238	37999	40525	41375	Total Capital ($mill)	49000
--	--	--	--	--	--	41447	31110	34036	37950	41350	44550	Net Plant ($mill)	53300
--	--	--	--	--	--	3.1%	6.0%	4.8%	5.0%	5.5%	5.5%	Return on Total Cap'l	5.5%
--	--	--	--	--	--	4.1%	7.2%	6.1%	6.7%	7.5%	8.0%	Return on Shr. Equity	8.0%
--	--	--	--	--	--	4.1%	7.2%	6.1%	6.7%	7.5%	8.0%	Return on Com Equity E	8.0%
--	--	--	--	--	--	4.1%	2.0%	.6%	1.0%	2.0%	2.0%	Retained to Com Eq	2.5%
--	--	--	--	--	--	--	72%	89%	82%	74%	72%	All Div'ds to Net Prof	72%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $16428 mill. **Due in 5 Yrs** $5729.0 mill.
LT Debt $15406 mill. **LT Interest** $878.0 mill.
Incl. $137.0 mill. capitalized leases.
(LT interest earned: 3.4x)
Leases, Uncapitalized Annual rentals $101.0 mill.

Pension Assets-12/08 $2.85 bill. **Oblig.** $4.16 bill.

Pfd Stock None

Common Stock 1,304,806,057 shs. as of 11/2/09

MARKET CAP: $21 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+50.3	+17.8	-2.6
Avg. Indust. Use (MWH)	2956	2635	2645
Avg. Indust. Revs. per KWH (¢)	5.00	4.32	4.59
Capacity at Peak (Mw) F	18990	19645	20332
Peak Load, Summer (Mw) F	16623	17476	16887
Annual Load Factor (%) F	58.0	57.0	57.0
% Change Customers (avg.)	+72.7	+1.4	+.9
Fixed Charge Cov. (%)	211	345	306

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	--	--	3.5%
"Cash Flow"	--	--	3.5%
Earnings	--	--	5.5%
Dividends	--	--	NMF
Book Value	--	--	.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	3035	2966	3688	3031	12720
2008	3337	3229	3508	3133	13207
2009	3312	2913	3396	3110	12731
2010	3350	3200	3600	3250	13400
2011	3500	3350	3750	3400	14000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.26	.24	.45	.25	1.20
2008	.37	.27	.17	.20	1.01
2009	.27	.21	.39	.26	1.13
2010	.30	.30	.40	.30	1.30
2011	.30	.30	.45	.30	1.35

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	--	--	--	--	--
2007	.21	.21	.22	.22	.86
2008	.22	.22	.23	.23	.90
2009	.23	.23	.24	.24	.94
2010					

BUSINESS: Duke Energy Corporation is a holding company for utilities with 4.0 million electric customers in North Carolina, South Carolina, Ohio, Indiana, and Kentucky, and 500,000 gas customers in Ohio, Indiana, and Kentucky. Owns independent power plants & has international operations. Acquired Cinergy 4/06; spun off midstream gas operations 1/07. Elec. rev. breakdown, '08: residential, 41%; commercial, 31%; industrial, 19%; other, 9%. Generating sources, '08: coal, 62%; nuclear, 30%; purchased & other, 8%. Fuel costs: 38% of revs. '08 reported deprec. rate: 3.1%. Has 18,250 employees. Chairman, President & CEO: James E. Rogers. Inc.: NC. Address: 526 South Church St., Charlotte, NC 28202-1802. Tel.: 704-594-6200. Internet: www.duke-energy.com.

Duke Energy has received electric rate increases in North Carolina and South Carolina. In North Carolina, the utility was granted a rate hike of $315 million (8%), based on a return of 10.7% on a common-equity ratio of 52.5%. In South Carolina, Duke received a tariff hike of $74.1 million (5.2%), based on a return of 10.7% on a common-equity ratio of 53%. Although rates in South Carolina are based on a 10.7% ROE, Duke is actually allowed to earn 11%. The rate increases took effect at the start of 2010 in North Carolina and at the start of February in South Carolina.

Duke also received a gas rate increase in Kentucky. The Kentucky commission approved a settlement calling for a $13 million (10.4%) increase.

Despite the aforementioned rate relief, Duke is unlikely to earn its allowed ROE in any of its five states this year. An electric rate filing in Indiana is under consideration for this year or next. Duke will likely file applications in the Carolinas and Ohio in 2011, with new tariffs taking effect in 2012.

We expect earnings to advance nicely this year. Rate relief will help. Also, the Allowance for Funds Used During Construction, a noncash credit to income, is likely to be higher. Our share-earnings estimate is at the upper end of Duke's targeted range of $1.25-$1.30. We look for a smaller bottom-line increase in 2011.

Some large capital projects are under construction. Duke is building 800 megawatts of coal-fired capacity to serve the Carolinas. The projected cost is $2.4 billion. The utility is constructing a 630-mw coal gasification plant in Indiana. It appears as if the cost will wind up above the original estimate of $2.35 billion. Each project is scheduled to begin commercial operation in 2012.

Dividend growth will be slowing. Since 2007, the board of directors has raised the quarterly dividend by a cent a share (over 4%) each year. But, because the payout ratio is high, Duke expects dividend growth to be half that amount in 2010.

Even with lower dividend growth, the stock has appeal for income-oriented investors. The yield is more than one percentage point above the industry average.

Paul E. Debbas, CFA *February 26, 2010*

(A) Diluted EPS. Excl. gain (loss) from disc. ops.: '07, (1¢); '08, 1¢. Excl. extra. gain (loss): '08, 5¢; '09, (31¢). '08 EPS don't add due to rounding. Next egs. due early May. (B) Div'ds *historically paid in mid-Mar., June, Sept. & Dec.* ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '08: $7.19/sh. (D) In mill. (E) Rate base: Net orig. cost. Rates all'd on com. eq. in '10: NC, 10.7%; in '10: SC, 11%; in '09: OH, 10.63% (electric); in '04: IN, 10.3%. Earn. on avg. com. eq., '08: 6.1%. Reg. Clim.: Avg. (F) Carolinas only.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	NMF
Earnings Predictability	NMF

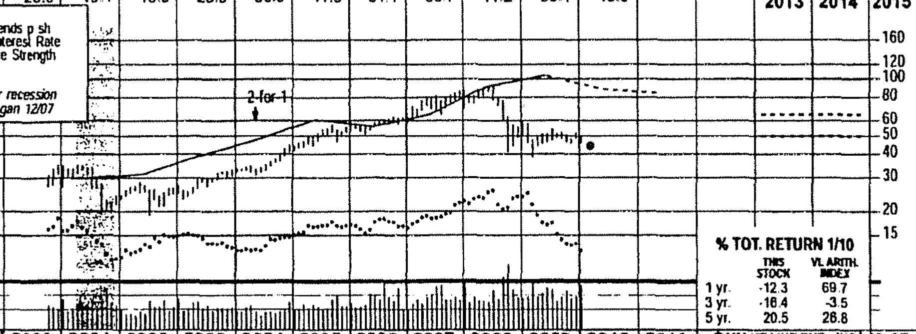
EXELON CORP. NYSE-EXC

RECENT PRICE 44.20 | P/E RATIO 12.0 (Trailing: 10.3 / Median: NMF) | RELATIVE P/E RATIO 0.73 | DIV'D YLD 4.8% | VALUE LINE

TIMELINESS 4 Lowered 2/5/10
SAFETY 1 Raised 6/3/05
TECHNICAL 2 Raised 2/19/10
BETA .85 (1.00 = Market)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
High:	35.5	35.1	28.5	33.3	44.9	57.5	63.6	86.8	92.1	59.0	49.9
Low:	26.8	19.4	18.9	23.0	30.9	41.8	51.1	58.7	41.2	38.4	43.0

LEGENDS
— 1.64 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/04
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+45%)	14%
Low	50	(+15%)	7%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	0	5	0	0	1	0
to Sell	0	0	0	0	1	0	0	1	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	374	379	373
to Sell	320	308	306
Hld's(000)	430416	429342	427310

% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	-12.3	69.7
3 yr.	-16.4	-3.5
5 yr.	20.5	26.8

Exelon Corp. was formed on October 20, 2000 upon a merger of equals between PECO Energy Co. and Unicom Corp. (Unicom was the holding company for Commonwealth Edison Co.) PECO Energy stockholders received one common share in Exelon for each common share held. Unicom investors exchanged each of their common shares for .875 of an Exelon share and $3.00 in cash. Data in 2000 reflect PECO Energy and the addition of Unicom as of October 20th.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
11.75	23.58	23.13	23.89	21.85	23.06	23.37	28.62	28.66	26.25	25.70	26.90	Revenues per sh	31.25
1.84	5.06	5.03	5.02	5.68	6.19	6.71	7.43	7.64	8.25	8.00	8.35	"Cash Flow" per sh	9.25
1.39	2.20	2.40	2.44	2.75	3.21	3.50	4.03	4.10	4.29	3.70	4.00	Earnings per sh A	4.25
--	.91	.88	.96	1.26	1.60	1.64	1.82	2.05	2.10	2.10	2.10	Div'd Decl'd per sh B ■	2.10
1.18	3.18	3.33	2.95	2.89	3.25	3.61	4.05	4.74	4.95	5.10	6.10	Cap'l Spending per sh	7.50
11.31	12.82	11.97	12.84	14.19	13.70	14.89	15.34	16.79	19.15	20.80	22.70	Book Value per sh C	27.25
638.01	642.01	646.63	662.00	664.20	666.00	670.00	661.00	658.00	660.00	662.00	664.00	Common Shs Outst'g D	640.00
22.4	13.2	10.5	11.8	13.0	15.4	16.5	18.2	18.0	11.5	Bold figures are		Avg Ann'l P/E Ratio	13.5
1.46	.68	.57	.67	.69	.82	.89	.97	1.08	.76	Value Line		Relative P/E Ratio	.90
--	3.1%	3.5%	3.4%	3.5%	3.2%	2.8%	2.5%	2.8%	4.3%	estimates		Avg Ann'l Div'd Yield	3.6%
7499.0	15140	14955	15812	14515	15357	15655	18916	18859	17318	17000	17850	Revenues ($mill)	20000
590.0	1465.0	1599.0	1641.0	1844.0	2162.0	2370.0	2730.0	2721.0	2845.0	2465	2680	Net Profit ($mill)	2800
36.6%	38.9%	36.7%	32.9%	27.5%	30.4%	33.7%	34.6%	32.6%	38.8%	36.0%	36.0%	Income Tax Rate	36.0%
.5%	1.2%	1.2%	1.9%	.9%	1.0%	1.6%	1.8%	1.3%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
62.3%	59.3%	61.2%	61.1%	56.1%	56.1%	54.2%	53.9%	53.1%	47.2%	44.0%	43.0%	Long-Term Debt Ratio	42.5%
34.7%	37.9%	36.1%	38.5%	43.5%	43.5%	45.4%	45.7%	46.6%	52.4%	55.5%	57.0%	Common Equity Ratio	57.0%
20803	21719	21464	22079	21658	20972	21971	22189	23726	24112	24750	26575	Total Capital ($mill)	30400
12936	13742	17134	20630	21482	21981	22775	24153	25813	27341	28475	30175	Net Plant ($mill)	36000
4.1%	9.0%	9.4%	9.2%	10.4%	12.1%	12.5%	14.1%	13.1%	13.0%	11.0%	11.5%	Return on Total Cap'l	10.5%
7.5%	16.6%	19.2%	19.1%	19.4%	23.5%	23.6%	26.7%	24.4%	22.4%	18.0%	17.5%	Return on Shr. Equity	16.0%
7.8%	17.2%	20.1%	18.8%	19.5%	23.6%	23.7%	26.9%	24.6%	22.5%	18.0%	17.5%	Return on Com Equity E	16.0%
7.6%	10.1%	12.8%	11.5%	10.7%	11.9%	13.0%	15.3%	12.5%	11.5%	8.0%	8.5%	Retained to Com Eq	8.5%
4%	43%	38%	40%	45%	50%	45%	43%	49%	49%	56%	52%	All Div'ds to Net Prof	48%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $13015 mill. **Due in 5 Yrs** $5368 mill.
LT Debt $11411 mill. **LT Interest** $628 mill.
Includes $390 mill, nonrecourse transition bonds.
(LT interest earned: 6.2x)
Leases, Uncapitalized Annual rentals $68.0 mill.
Pension Assets-12/08 $6.66 bill.
Oblig. $10.8 bill.
Pfd Stock $87.0 mill. **Pfd Div'd** $4.0 mill.
Includes $87.0 mill. in preferred securities of subsidiaries.
Common Stock 659,377,386 shs.
MARKET CAP: $29 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	-1.7	+3.6	-1.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.05	8.34	8.54
Capacity at Peak (Mw)	33464	NA	NA
Peak Load (Mw)	32545	30521	29772
Nuclear Capacity Factor (%)	93.9	94.5	93.9
% Change Customers (yr-end)	+1.1	+.9	+.6
Fixed Charge Cov. (%)	466	516	608

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	--	2.5%	2.0%
"Cash Flow"	--	7.5%	3.5%
Earnings	--	10.5%	1.5%
Dividends	--	15.0%	2.0%
Book Value	--	4.5%	8.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2007	4829	4501	5032	4554	18916
2008	4517	4622	5228	4492	18859
2009	4722	4141	4339	4116	17318
2010	4100	4200	4500	4200	17000
2011	4300	4400	4750	4400	17850

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2007	1.01	1.03	1.15	.84	4.03
2008	.88	1.13	1.06	1.04	4.10
2009	1.28	.99	1.14	.88	4.29
2010	.90	.85	1.05	.90	3.70
2011	1.00	.95	1.10	.95	4.00

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.40	.40	.40	.40	1.60
2007	.44	.44	.44	.44	1.76
2008	.50	.50	.50	.525	2.03
2009	.525	.525	.525	.525	2.10
2010					

BUSINESS: Exelon Corporation is a holding company for Commonwealth Edison, which serves 3.8 million electric customers in *Illinois, and PECO Energy, which serves 1.6 million electric and* 481,000 gas customers in Pennsylvania. Markets energy in the mid-Atlantic and Midwest regions. Electric revenue breakdown, '08: residential, 48%; small commercial & industrial, 27%; large commercial & industrial, 16%; other, 9%. Generating sources: nuclear, 74%; other, 6%; purchased, 20%. Fuel costs: 40% of revenues. '08 deprec. rate: 6.8%. Has 19,600 employees. Chairman & CEO: John W. Rowe. President & COO: Christopher Crane. Inc.: PA. Address: 10 South Dearborn St., P.O. Box 805398, Chicago, IL 60680-5398. Tel.: 312-394-7398. Internet: www.exeloncorp.com.

Exelon is planning to retire four aging generating units in 2011. The facilities, in southeastern Pennsylvania, have a total of 933 megawatts (732 mw coal, 201 mw oil or gas). They have become uneconomic to operate and would likely require some capital investment to comply with stricter environmental regulations. Costs associated with the retirements (including accelerated depreciation) reduced share earnings by a nickel in the fourth quarter of 2009. Pretax expenses for the retirements are estimated at $138 million this year and $64 million in 2011.

Earnings will probably decline in 2010. Due to conditions in the power markets, Exelon's hedging program for its nonregulated generating assets isn't likely to contribute nearly as much profit margin as it did in 2009. Nuclear fuel expense is rising. So is pension expense. Although the company is excluding the aforementioned plant-retirement costs from its 2010 earnings guidance of $3.60-$4.00 a share, we are including them. Accordingly, we have lowered our 2010 share-net estimate from $3.80 to $3.70. Higher margins from the company's generating assets should produce a partial earnings recovery in 2011.

The company is undertaking a nuclear uprate program. Exelon added 70 mw of capacity last year and plans to add 50 mw in 2010. This is part of its plan to add 1,300-1,500 mw through 2017 at a projected cost of $4.4 billion—much less than the cost of building a nuclear plant of that size. Moreover, the company will not incur additional operating expenses.

We expect no dividend increase any time soon. The payout ratio is on the high side for a company that gets most of its income (probably around 70% this year) from the nonregulated side of its operations. Although we aren't projecting a dividend hike over the 3- to 5-year period, we don't rule one out. We are projecting some stock buybacks.

We have lowered our sights for the 3- to 5-year period. Unless conditions in the power markets improve materially, earnings aren't likely to attain our previous projection. At the stock's current price, both the yield and its 3- to 5-year total return potential are comparable with the utility norms.

Paul E. Debbas, CFA *February 26, 2010*

(A) Diluted earnings. Excludes nonrecurring gains (losses): '01, 2¢; '02, (18¢); '03, ($1.06); '04, 3¢; '05, ($1.85); '06, ($1.15); '09, (20¢); gains from disc. operations: '07, 2¢; '08, 3¢. '08 EPS don't add due to rounding. Next earnings report due late Apr. (B) Div'ds historically paid in early Mar., June, Sept., and Dec. ■ Div'd reinvest. program avail. (C) Incl. deferred charges. In '08: $13.02/sh. (D) In mill., adj. for split. (E) Rate allowed on com. eq. in IL in '08: 10.3%; earned on avg. com. eq., '08: 25.5%. Regulatory Climate: PA, Avg.; IL, Below Avg.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	85
Earnings Predictability	95

PG&E CORP. NYSE-PCG

RECENT PRICE 44.07 | P/E RATIO 13.6 (Trailing: 13.3 Median: 14.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 4.1% | VALUE LINE

TIMELINESS 3 Lowered 6/26/09
SAFETY 2 Raised 5/12/06
TECHNICAL 2 Raised 2/5/10
BETA .55 (1.00 = Market)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	35.1	34.0	31.8	20.9	23.8	28.0	34.5	40.1	48.2	52.2	45.7	45.8
Low:	29.1	20.3	17.0	6.5	8.0	11.7	25.9	31.8	36.3	42.6	26.7	34.5

Target Price Range 2012 | 2013 | 2014

2012-14 PROJECTIONS

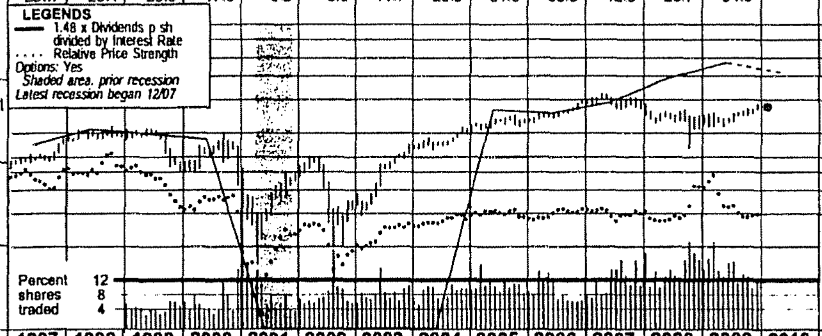
	Price	Gain	Ann'l Total Return
High	55	(+25%)	10%
Low	40	(-10%)	2%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	4	0	0	1	0	1	0	0	0
to Sell	11	0	0	1	0	1	0	0	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	215	217	179
to Sell	168	184	194
Hld's(000)	249542	249954	253016



% TOT. RETURN 12/09

	THIS STOCK	VL ARITH INDEX
1 yr.	20.2	60.8
3 yr.	5.6	1.9
5 yr.	60.3	25.9

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
24.77	24.28	23.24	23.82	36.87	52.12	57.74	67.75	63.18	32.74	25.05	26.47	31.78	38.02	37.42	40.51	35.75	37.25	Revenues per sh	42.50
5.42	5.99	6.31	5.24	5.98	6.08	7.15	.80	5.66	1.14	4.80	5.71	7.12	7.76	8.02	8.44	8.40	8.75	"Cash Flow" per sh	10.00
2.33	2.76	2.95	2.16	1.57	1.88	2.24	d9.21	3.02	d2.36	2.05	2.12	2.35	2.76	2.78	3.22	3.15	3.40	Earnings per sh A	4.25
1.88	1.96	1.96	1.77	1.20	1.20	1.20	1.20	--	--	--	--	1.23	1.32	1.44	1.56	1.68	1.80	Div'd Decl'd per sh B ■ †	2.20
4.13	2.54	2.25	3.05	4.36	4.23	4.39	4.54	7.33	7.94	4.08	3.72	4.90	6.90	7.83	10.05	10.15	10.10	Cap'l Spending per sh	11.25
19.77	20.07	20.77	20.73	21.30	21.08	19.10	8.19	11.89	9.47	10.12	20.62	19.60	22.44	24.18	25.97	27.60	29.25	Book Value per sh C	35.75
427.22	430.24	414.03	403.50	417.67	382.60	360.59	387.19	363.38	381.67	416.52	418.62	368.27	348.14	353.72	361.06	369.00	376.00	Common Shs Outst'g D	400.00
14.8	9.5	9.4	10.9	15.5	16.8	13.1	--	4.8	--	9.5	13.8	15.4	14.8	16.8	12.1	12.5		Avg Ann'l P/E Ratio	11.5
.87	.62	.63	.68	.89	.87	.75	--	.25	--	.54	.73	.82	.80	.89	.73	.80		Relative P/E Ratio	.75
5.5%	7.5%	7.1%	7.5%	4.9%	3.8%	4.1%	4.8%	--	--	--	--	3.4%	3.2%	3.1%	4.0%	4.3%		Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $11991 mill. Due in 5 Yrs $3975 mill.
LT Debt $10767 mill. LT Interest $581.0 mill.
Incl. $928 mill. Energy Recovery Bonds
(LT interest earned: 3.1x)
Pension Assets-12/08 $8.07 bill. Oblig. $9.77 bill.
Pfd Stock $258.0 mill. Pfd Div'd $14.0 mill.
5,973,456 shs. 4.36% to 7.04%, cum. and $25 par, redeemable from $25.75 to $27.25; 5,784,825 shs. 5.00% to 6.00%, cum. nonredeemable and $25 par; 5,500,000 shs. 6.30% and 6.57%, cum. $25 par, subject to mandatory redemption.
Common Stock 370,960,212 shs. as of 10/27/09
MARKET CAP: $16 billion (Large Cap)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		12-14
20820	26232	22959	12495	10435	11080	11703	12539	13237	14628	13200	14000	Revenues ($mill)	17000
825.0	d3324	1099.0	d874.0	791.0	901.0	904.0	1005.0	1020.0	1198.0	1170	1290	Net Profit ($mill)	1735
1.6%	--	35.6%	--	36.7%	35.0%	37.6%	35.5%	34.6%	26.2%	33.5%	33.5%	Income Tax Rate	33.5%
--	--	1.6%	--	3.7%	3.6%	5.6%	6.7%	9.4%	9.5%	10.0%	9.0%	AFUDC % to Net Profit	7.0%
46.5%	62.1%	58.9%	51.5%	42.4%	45.1%	48.3%	51.7%	52.6%	52.2%	51.0%	49.5%	Long-Term Debt Ratio	45.0%
48.0%	30.4%	34.9%	42.8%	53.9%	53.2%	50.0%	46.8%	46.1%	46.5%	48.0%	49.5%	Common Equity Ratio	54.0%
14339	10428	12399	8438.0	7815.0	16242	14446	16696	18558	20163	21200	22275	Total Capital ($mill)	26500
16776	16591	19167	16928	18107	18989	19955	21785	23656	26261	28050	29850	Net Plant ($mill)	36900
7.4%	NMF	13.3%	NMF	16.3%	7.6%	8.1%	7.6%	7.4%	7.8%	7.0%	7.0%	Return on Total Cap'l	8.0%
10.8%	NMF	21.5%	NMF	17.6%	10.1%	12.1%	12.5%	11.6%	12.4%	11.0%	11.5%	Return on Shr. Equity	12.0%
11.6%	NMF	22.9%	NMF	18.5%	10.3%	12.3%	12.7%	11.8%	12.6%	11.5%	11.5%	Return on Com Equity E	12.0%
5.2%	NMF	22.9%	NMF	18.5%	10.3%	7.7%	6.8%	6.0%	6.8%	5.5%	5.5%	Retained to Com Eq	6.0%
56%	NMF	10%	--	2%	1%	39%	47%	50%	47%	54%	53%	All Div'ds to Net Prof	51%

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+5.8	+2.2	+2.3
Avg. Indust. Use (MWH)	12513	12021	12765
Avg. Indust. Revs. per KWH (¢)	8.53	8.26	8.67
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+2.7	+2.0	+.3
Fixed Charge Cov. (%)	268	257	288

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Revenues	--	-1.0%	2.0%
"Cash Flow"	3.5%	16.0%	3.5%
Earnings	4.5%	NMF	6.5%
Dividends	.5%	--	7.5%
Book Value	1.5%	18.0%	6.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	3148	3017	3168	3206	12539
2007	3356	3187	3279	3415	13237
2008	3733	3578	3674	3643	14628
2009	3431	3194	3235	3340	13200
2010	3500	3500	3500	3500	14000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.60	.65	1.09	.43	2.76
2007	.71	.74	.77	.56	2.78
2008	.62	.80	.83	.97	3.22
2009	.65	.87	.80	.83	3.15
2010	.70	.90	.95	.85	3.40

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.33	.33	.33	.33	1.32
2007	.33	.36	.36	.36	1.41
2008	.36	.39	.39	.39	1.53
2009	.39	.42	.42	.42	1.65
2010	.42				

BUSINESS: PG&E Corporation is a holding company for Pacific Gas and Electric Company and nonutility subsidiaries. Supplies electricity and gas to most of northern and central California. Has 5.1 million electric, 4.3 million gas customers. Electric revenue breakdown, '08: residential, 41%; commercial, 39%; industrial, 12%; other, 8%. Generating sources, '08: nuclear, 27%; hydro, 9%; purchased and other, 64%. Fuel costs: 45% of revenues. '08 reported depreciation rate (utility): 3.3%. Has 21,700 employees. Chairman, President & Chief Executive Officer: Peter A. Darbee. Incorporated: California. Address: One Market, Spear Tower, Suite 2400, San Francisco, California 94105. Telephone: 415-267-7000. Internet: www.pgecorp.com.

PG&E's utility subsidiary has filed a general rate case. Pacific Gas and Electric is seeking a total rate increase of $1.048 billion (6.4%). New tariffs would take effect at the start of 2011. The utility is asking for a mechanism that would reflect increases in the rate base and its operating and maintenance expenses. If granted, this would provide rate hikes of $275 million in 2012 and $343 million in 2013. The utility's cost of capital will be reconsidered *in a separate filing*, which will occur in 2012, with a ruling taking effect at the start of 2013. Accordingly, the allowed return on equity will remain at 11.35% for now.

The utility is building generating facilities. Two gas-fired plants should enter commercial operation later this year. The expected cost for both facilities is $912 million. Pacific G&E is also asking the California regulators for permission to construct a 246-megawatt windfarm at a cost of $911 million. If the commission gives the utility the go-ahead, this project would go into service in 2011.

Pacific G&E is awaiting a ruling on a proposed electric reliability program. The utility wants to spend $800 million over a six-year period to enhance system reliability. The California commission's decision is expected soon.

We estimate that earnings fell slightly in 2009 but will advance this year. The fourth-quarter comparison was tough because a tax settlement added $0.29 a share to profits in the year-earlier period. In 2010, ongoing growth in the utility's rate base should lead to increased earnings.

We expect a dividend increase at the board meeting later this month. We figure that the directors will raise the quarterly disbursement by $0.03 a share (7.1%), as it has in each of the past three years.

This stock's valuation is high. The yield is fractionally below the industry average. Although we project good profit and dividend growth over the 3- to 5-year period, with the quotation already within our 2012-2014 Target Price Range, total return potential over that time is subpar. All told, we believe better selections are available elsewhere.

Paul E. Debbas, CFA *February 5, 2010*

(A) Diluted EPS. Excl. nonrec. gains (losses): '94, (55¢); '95, 4¢; '96, (41¢); '97, 18¢; '99, ($2.44); '04, $6.95; '09, 18¢; gain from disc. ops.: '08, 41¢. Incl. nonrec. loss: '00, $11.83. '06 EPS don't add due to rounding. Next earnings report due late Feb. (B) Div'ds historically paid in mid-Jan., Apr., July, Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '08: $16.61/sh. (D) In mill. (E) Rate base: net orig. cost. Rate allowed on com. eq. in '07: 11.35%; earned on avg. com. eq., '08: 12.9%. Regul. Clim.: Above Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	85
Earnings Predictability	10

PROGRESS ENERGY NYSE-PGN

RECENT PRICE 37.84 | P/E RATIO 12.7 (Trailing: 12.6 / Median: 15.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 6.6% | VALUE LINE

High:	47.9	49.4	49.3	52.7	48.0	47.9	46.0	49.6	52.8	49.2	42.2	41.7
Low:	29.3	28.3	38.8	32.8	37.4	40.1	40.2	40.3	43.1	32.6	31.3	37.0

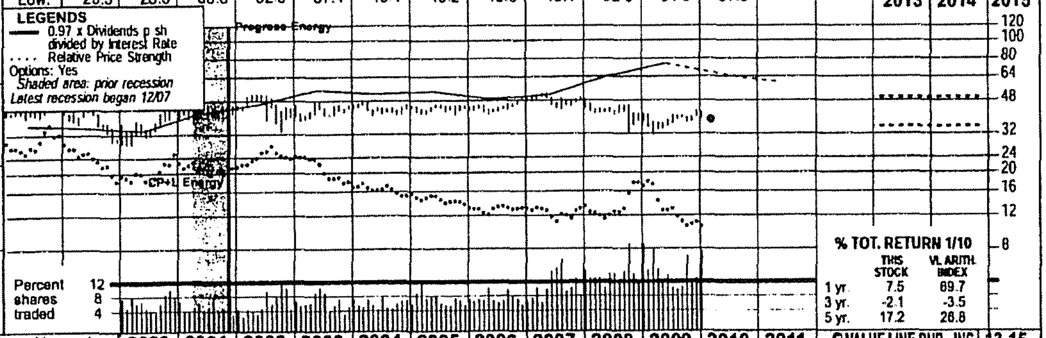
TIMELINESS 4 Lowered 1/29/10

SAFETY 2 Lowered 6/7/02

TECHNICAL 2 Raised 2/5/10

BETA .60 (1.00 = Market)

LEGENDS
— 0.97 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+30%)	10%
Low	35	(-10%)	7%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	1	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	2	3	0	0	4	0	0	0	1

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	220	219	192
to Sell	208	185	198
Hld's(000)	162070	164814	164779

% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	7.5	89.7
3 yr.	-2.1	-3.5
5 yr.	17.2	26.8

Progress Energy was formed on November 30, 2000 through the merger of CP&L Energy and Florida Progress. Florida Progress common shareholders exchanged each share held for $54 in cash and/or CP&L common stock. They also received one Contingent Value Obligation for each share of Florida Progress stock, entitling them to payments when four synthetic fuel plants achieved certain economic levels from 2001 to 2007. Data prior to merger are for CP&L only and are not comparable with Progress Energy data.

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
19.99	38.69	34.18	35.54	39.56	40.11	37.38	35.19	34.72	35.30	33.00	33.80	Revenues per sh	37.95
5.37	8.14	7.02	7.54	7.40	6.53	5.93	6.13	6.09	6.60	6.70	6.85	"Cash Flow" per sh	7.30
2.34	3.43	3.84	3.41	3.10	2.94	2.05	2.69	2.96	3.03	3.00	3.15	Earnings per sh A	3.55
2.08	2.14	2.18	2.26	2.32	2.38	2.42	2.44	2.46	2.48	2.50	2.52	Div'd Decl'd per sh B†■	2.58
4.61	5.56	5.05	4.14	4.04	4.29	5.56	7.59	8.84	7.85	8.00	8.10	Cap'l Spending per sh	8.00
26.32	27.45	28.73	30.26	30.90	31.90	32.37	32.38	32.55	34.30	35.05	36.00	Book Value per sh C	38.95
206.09	218.73	232.43	246.00	247.00	252.00	256.00	260.10	264.00	280.00	282.00	284.00	Common Shs Outst'g E	290.00
15.3	12.4	11.9	12.4	14.1	14.8	21.6	17.9	14.3	12.4	Bold figures are		Avg Ann'l P/E Ratio	12.0
.99	.64	.65	.71	.74	.79	1.17	.95	.86	.82	Value Line		Relative P/E Ratio	.85
5.8%	5.0%	4.8%	5.3%	5.3%	5.5%	5.5%	5.1%	5.8%	6.6%	estimates		Avg Ann'l Div'd Yield	6.0%
4118.9	8461.5	7945.0	8743.0	9772.0	10108	9570.0	9153.0	9167.0	9885.0	9300	9700	Revenues ($mill)	11000
369.9	695.1	815.2	818.1	763.5	727.0	514.0	693.0	773.0	850.0	845	895	Net Profit ($mill)	1030
35.4%	--	--	--	13.1%	--	28.4%	32.5%	33.8%	33.0%	33.0%	33.0%	Income Tax Rate	33.0%
5.6%	2.6%	1.0%	3.4%	.8%	1.8%	1.4%	2.5%	3.9%	3.0%	3.0%	3.0%	AFUDC % to Net Profit	3.0%
51.6%	60.9%	59.0%	56.1%	55.2%	56.2%	51.3%	50.6%	55.1%	54.0%	53.0%	53.0%	Long-Term Debt Ratio	52.5%
47.6%	38.5%	40.4%	43.4%	44.3%	43.3%	48.1%	48.8%	44.4%	46.0%	47.0%	47.0%	Common Equity Ratio	47.5%
11407	15580	16517	17162	17247	18577	17214	17252	19346	20530	20990	21650	Total Capital ($mill)	23700
10437	10915	10656	14434	14363	14442	15245	16605	18293	19700	20350	20700	Net Plant ($mill)	22400
4.3%	6.4%	6.8%	6.5%	6.2%	5.6%	4.8%	5.6%	5.6%	5.5%	5.5%	5.5%	Return on Total Cap'l	5.5%
6.7%	11.4%	12.0%	10.9%	9.9%	8.9%	6.1%	8.1%	8.9%	9.0%	8.5%	9.0%	Return on Shr. Equity	9.0%
6.7%	11.5%	12.1%	10.9%	9.9%	9.0%	6.1%	8.2%	8.9%	9.0%	8.5%	9.0%	Return on Com Equity D	9.0%
NMF	4.3%	5.0%	3.7%	2.6%	1.7%	NMF	.7%	1.5%	1.5%	1.5%	2.0%	Retained to Com Eq	2.5%
101%	63%	59%	67%	74%	81%	119%	91%	84%	81%	83%	80%	All Div'ds to Net Prof	73%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $11484 mill. Due in 5 Yrs $3830 mill.
LT Debt $10834 mill. LT Interest $540 mill.
(LT interest earned: 3.1x)
Pension Assets-12/08 $1.29 bill. Oblig. $2.33 bill.
Pfd Stock $92.8 mill. Pfd Div'd $4.5 mill.
921,814 shs. $4.00 to $5.44 cum. no par. callable from $101 to $110 per sh. Sinking funds began in 1984 and 1986, respectively.
Common Stock 279,626,073 shs. as of 11/2/09
MARKET CAP: $10.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	-2.3	+3.5	-1.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.38	6.58	6.78
Capacity at Peak (Mw)	21322	21776	21775
Peak Load, Summer (Mw)	21717	22327	21373
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.0	+3.5	+1.0
Fixed Charge Cov. (%)	204	249	NA

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	6.0%	--	1.0%
"Cash Flow"	--	-4.5%	3.0%
Earnings	-.5%	-6.5%	4.5%
Dividends	2.5%	2.0%	1.0%
Book Value	5.5%	2.5%	2.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	2072	2129	2750	2202	9153
2008	2066	2244	2696	2161	9167
2009	2442	2312	2824	2307	9885
2010	2200	2300	2800	2000	9300
2011	2200	2400	3000	2100	9700

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.62	.41	1.27	.39	2.69
2008	.58	.77	1.18	.43	2.96
2009	66	.62	1.22	.53	3.03
2010	.65	.65	1.15	.55	3.00
2011	.67	.68	1.20	.60	3.15

Calendar	QUARTERLY DIVIDENDS PAID ■B† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.605	.605	.605	.605	2.42
2007	.61	.61	.61	.61	2.44
2008	.615	.615	.615	.615	2.46
2009	.62	.62	.62	.62	2.48
2010					

BUSINESS: Progress Energy, parent of CP&L Energy and Florida Progress, supplies electricity to portions of North Carolina, South Carolina, and Florida. Other operations include coal mining, wholesale generation, and financial services. Electric revenues: residential, 42%; commercial, 25%; industrial, 11%; other, 22%. Power costs: 46% of revs; labor costs: 13%. Fuel sources: gas/oil/coal, 58%; nuclear, 27%; hydro, less than 1%; purch. power, 14%. Has 11,000 employees. '08 depreciation rate: 2.7%. Est'd plant age: 8 years. Chairman, Chief Executive Officer, and President: William D. Johnson. Incorporated: North Carolina. Address: 411 Fayetteville Street, Raleigh, North Carolina 27602. Telephone: 1-800-662-7232. Internet: www.progress-energy.com.

Progress Energy posted top- and bottom-line advances in 2009. The company reported 2009 year-end earnings of $3.03 a share, reflecting a modest 3% year-over-year increase. Positive drivers included increased revenues for interim and limited rate relief, lower depreciation, and favorable returns on nuclear and environmental investments. Increased operation and maintenance costs offset further gains. Meanwhile, customer growth improved slightly from depressed 2008 levels, though the breakdown was rather skewed between segments. Progress Energy Carolina posted a 14,000 net increase in the average number of customers, while Progress Energy Florida posted an 8,000 net decrease. The falloff in Florida was indicative of deteriorating economic conditions.

Progress Energy Florida (PEF) received a disappointing ruling in its rate case. The Florida Public Service Commission (FPSC) did not grant any relief on PEF's request to increase rates beyond the previously granted $126 million hike related to the Bartow repowering. Additionally, the commission reduced the company's return on equity to 10.5% from the requested 12.54%. The FPSC indicated it did not want to raise rates on Florida consumers during a period of economic difficulty. Due to the unfavorable regulatory ruling, 2010 is shaping up to be a challenging year for the company. As a result. . .

We have reduced our 2010 share-earnings estimate to $3.00, down from our previous estimate of $3.15. The lack of rate relief is the primary driver for the reduction. Management will likely have to cut capital expenditures and operation and maintenance costs in an attempt to help mitigate the impact of the decision. Meanwhile, if economic conditions in Florida show signs of improvement, we believe there is a strong possibility PEF will file another rate case later this year.

Though untimely, these shares offer an attractive dividend yield. Despite the deteriorating regulatory environment in Florida, management confirmed it remains committed to achieving a 70%-75% dividend payout ratio. Progress Energy's hefty 6.6% yield may appeal to income-oriented investors.

Michael Ratty *February 26, 2010*

(A) EPS diluted. Excl. nonrecur.: '00, 69¢; '01, (75¢); '02, ($1.32); '03, (3¢); '05, (39¢); '07, (73¢). Next egs. report due early Mar.
(B) Div'ds historically paid in early Feb., May, Aug, and Nov. ■ Div'd reinvestment plan available. † Shareholder investment plan avail.
(C) Incl. def. charges in '08: $32.75/sh.
(D) Rate Base: orig. cost. Rate allowed on common equity. In '88 in N.C.: 12.75%; in '88 in S.C.: 12.75%; in '02 in Fla.: rev. sharing incentive plan; earn. on '08 avg. com. eq.: 9.6%. Regul. Clim.: Avg. (E) In millions.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	85

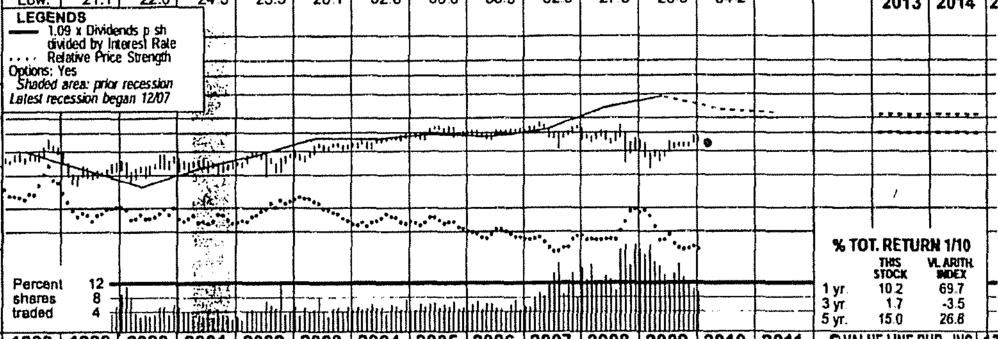
SCANA CORP. NYSE-SCG

RECENT PRICE 35.25 | P/E RATIO 12.3 (Trailing: 12.4 / Median: 13.0) | RELATIVE P/E RATIO 0.75 | DIV'D YLD 5.4% | VALUE LINE

TIMELINESS 4 Lowered 2/19/10
SAFETY 2 Lowered 9/10/99
TECHNICAL 2 Raised 2/26/10
BETA .65 (1.00 = Market)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
High:	32.6	31.1	30.0	32.1	35.7	39.7	43.7	42.4	45.5	44.1	38.8	38.5
Low:	21.1	22.0	24.3	23.5	28.1	32.8	36.6	36.9	32.9	27.8	26.0	34.2

Target Price Range 2013 | 2014 | 2015



2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+40%)	13%
Low	40	(+15%)	8%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	0	1	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	153	143	117
to Sell	149	131	152
Hld's(000)	55775	54074	54067

% TOT. RETURN 1/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	10.2	69.7
3 yr.	1.7	-3.5
5 yr.	15.0	26.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
13.77	13.06	14.25	14.19	15.76	15.93	32.78	32.95	26.65	30.85	34.38	41.54	39.00	39.50	45.08	34.15	32.80	32.95	Revenues per sh	35.75
3.77	3.68	3.75	3.53	3.62	3.15	4.43	4.55	4.56	4.95	5.26	7.41	5.87	5.72	5.85	5.75	5.80	5.90	"Cash Flow" per sh	6.50
1.60	1.86	2.05	1.90	2.12	1.44	2.12	2.15	2.38	2.50	2.67	2.78	2.59	2.74	2.95	2.85	2.95	3.05	Earnings per sh A	3.50
1.41	1.44	1.47	1.51	1.54	1.32	1.15	1.20	1.30	1.38	1.46	1.56	1.68	1.76	1.84	1.88	1.90	1.92	Div'd Decl'd per sh B ■ †	2.05
4.21	3.09	2.34	2.45	2.87	2.37	3.28	4.99	6.41	6.94	4.84	3.37	4.50	6.20	7.66	10.20	8.80	8.85	Cap'l Spending per sh	12.25
14.69	15.00	15.86	16.66	16.86	20.27	19.40	20.95	19.64	20.82	21.69	23.28	24.32	25.30	25.81	27.50	28.85	30.30	Book Value per sh C	34.75
96.04	103.62	106.18	107.32	103.57	103.57	104.73	104.73	110.83	110.74	113.00	115.00	117.00	117.00	118.00	124.00	131.00	138.00	Common Shs Outst'g D	148.00
14.0	12.3	13.1	13.4	14.5	17.5	12.5	12.6	12.2	13.0	13.6	14.4	15.4	15.0	12.7	11.6	Bold figures are	Value Line	Avg Ann'l P/E Ratio	13.0
.92	.82	.82	.77	.75	1.00	.81	.65	.67	.74	.72	.77	.83	.80	.76	.76	estimates		Relative P/E Ratio	.85
6.3%	6.3%	5.5%	5.9%	5.0%	5.2%	4.3%	4.4%	4.5%	4.2%	4.0%	3.9%	4.2%	4.3%	4.9%	5.7%			Avg Ann'l Div'd Yield	4.5%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $4507.0 mill. **Due in 5 Yrs** $1883.0 mill.
LT Debt $4166.0 mill. *LT Interest $231.0 mill*
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $18.0 mill.
Pension Assets-12/08 $629.4 mill.
Oblig. $709.5 mill.
Pfd Stock $113.0 mill. **Pfd Div'd** $7.0 mill.
125,209 shs. 5% cum., $50 par., call. $52.50;
220,287 shs. 4.50% to 6.00% cum., $50 par, call $50.50 to $51.00; 1,000,000 shs. 6.52% cum., $100 par, call. $100.00. All pfd. redeemed 4Q '09.
Common Stock 123,132,614 shs. **as of 10/31/09**
MARKET CAP: $4.3 billion (Mid Cap)

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
3433.0	3451.0	2954.0	3416.0	3885.0	4777.0	4563.0	4621.0	5319.0	4237.0	4300	4550	Revenues ($mill)	5300
228.0	231.0	259.0	285.0	305.0	323.0	306.0	327.0	353.0	357.0	375	410	Net Profit ($mill)	505
38.2%	34.9%	32.2%	31.5%	32.5%	--	26.5%	29.2%	35.4%	32.0%	31.0%	31.0%	Income Tax Rate	31.0%
3.9%	11.3%	13.5%	10.5%	8.5%	.9%	2.6%	4.6%	8.5%	14.3%	16.0%	16.0%	AFUDC % to Net Profit	16.0%
57.4%	53.9%	55.7%	57.1%	55.4%	51.4%	50.9%	48.4%	58.0%	56.8%	55.0%	54.0%	Long-Term Debt Ratio	53.5%
40.3%	43.8%	42.1%	40.8%	42.6%	46.6%	47.2%	49.7%	40.5%	43.2%	45.0%	46.0%	Common Equity Ratio	46.5%
5048.0	5006.0	5176.0	5646.0	5752.0	5739.0	6027.0	5952.0	7519.0	7891.0	8365	9115	Total Capital ($mill)	11125
4475.0	4803.0	5474.0	6417.0	6762.0	6734.0	7007.0	7538.0	8305.0	8862.0	9630	10445	Net Plant ($mill)	14300
6.8%	6.9%	7.0%	6.9%	7.1%	7.4%	6.8%	7.3%	6.2%	6.0%	6.0%	6.0%	Return on Total Cap'l	6.0%
10.6%	10.0%	11.3%	11.8%	11.9%	11.6%	10.3%	10.6%	11.2%	10.5%	10.0%	10.0%	Return on Shr. Equity	10.0%
10.9%	10.2%	11.6%	12.1%	12.2%	11.8%	10.5%	10.8%	11.4%	10.2%	10.0%	10.0%	Return on Com Equity E	10.0%
4.8%	4.6%	5.5%	5.5%	5.6%	5.3%	3.8%	4.0%	4.4%	3.5%	3.5%	3.5%	Retained to Com Eq	4.0%
57%	56%	54%	55%	55%	56%	65%	64%	62%	66%	64%	63%	All Div'ds to Net Prof	60%

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	-1.4	+2.6	-.5
Avg. Indust. Use (MWH)	12005	9815	8143
Avg. Indust. Revs. per KWH (¢)	5.16	5.30	5.69
Capacity at Yearend (Mw)	5749	5688	5661
Peak Load, Summer (Mw)	4747	4926	4789
Annual Load Factor (%)	57.5	56.7	57.9
% Change Customers (yr-end)	+2.2	+2.5	+1.6
Fixed Charge Cov. (%)	261	272	278

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '13-'15
Revenues	11.0%	6.5%	-2.0%
"Cash Flow"	4.5%	4.0%	2.0%
Earnings	3.0%	3.5%	3.5%
Dividends	1.5%	6.5%	2.0%
Book Value	4.5%	4.0%	4.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	1363	1007	1079	1172	4621.0
2008	1533	1218	1266	1302	5319.0
2009	1343	878.0	921.0	1095	4237.0
2010	1250	900	1000	1150	4300
2011	1300	950	1100	1200	4550

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.73	.47	.79	.75	2.74
2008	.94	.48	.80	.73	2.95
2009	.94	.45	.84	.62	2.85
2010	.95	.45	.85	.70	2.95
2011	1.00	.45	.90	.70	3.05

Calendar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.39	.42	.42	.42	1.65
2007	.42	.44	.44	.44	1.74
2008	.44	.46	.46	.46	1.82
2009	.46	.47	.47	.47	1.87
2010	.47	.475			

BUSINESS: SCANA Corporation is a holding company for South Carolina Electric & Gas Company, which supplies electricity to 655,000 customers in South Carolina. Supplies gas and transmission service to 1.2 million customers in North and South Carolina and Georgia. Owns gas pipelines. Acquired *PSNC Energy 2/00.* Electric revenue breakdown, '08: residential, 41%; commercial, 31%; industrial, 17%; other, 11%. Generating sources, '08: coal, 64%; nuclear, 18%; oil & gas, 12%; hydro, 4%; purchased, 2%. Fuel costs: 65% of revenues. '08 reported deprec. rate: 3.1% Has 5,800 employees. Chairman, President & CEO: William B. Timmerman. *Inc.: South Carolina. Address:* 100 SCANA Parkway, Cayce, SC 29033. Tel.: 803-217-9000. Internet: www.scana.com.

SCANA's utility subsidiary in South Carolina has filed a general rate case. South Carolina Electric & Gas requested an electric rate increase of $197.6 million (9.5%) based on a return of 11.6% on a common-equity ratio of 52.96%. In a concession to the state of the economy, the utility is asking for the rate hike to be granted in three phases. The first phase, for $66 million, would take effect in mid-July; the second, for $64 million, at the start of 2011; and the third, for $68 million, in mid-2011. SCE&G is asking for a larger tariff increase than usual, but the rate application is necessary mainly due to environmental mandates, system reliability expenditures, and capital spending to accommodate previous years' customer growth.

We have trimmed our 2010 earnings estimate by a nickel a share, to $2.95. The weak economy continues to hurt electric demand, especially from industrial customers. Nevertheless, rate relief should produce some earnings growth this year and next. Besides the aforementioned electric rate case, SCE&G received a gas rate hike last November, and the utility is getting modest rate increases annually to recover preliminary costs associated with planned additions of nuclear capacity. Our revised share-net estimate is at the midpoint of SCANA's targeted range of $2.85-$3.05. We look for moderate bottom-line growth in 2011. Our estimate is $3.05 a share.

SCE&G wants to build two nuclear units. They would add 1,229 megawatts of capacity at a cost (including transmission) of $6.9 billion. Annual rate increases under a state law covering base-load plants should enable the utility to recover the cost. The Nuclear Regulatory Commission will likely issue a construction and operating license in the second half of 2011.

The board of directors raised the dividend earlier this month. But it was a small increase, at just half a cent a share (1.1%) a quarter. That's a reflection of the fact that earnings in 2010 will probably be similar to the tally from two years earlier.

This untimely stock's yield is fractionally above the utility average. *Total return potential to 2013-2015 is about equal to the industry average.*

Paul E. Debbas, CFA *February 26, 2010*

(A) Excl. nonrec. gains (losses): '95, (16¢); '97, 16¢; '99, 29¢; '00, 28¢; '01, $3.00; '02, ($3.72); '03, 31¢; '04, (23¢); '05, 3¢; '06, 9¢. Next earnings report due late April. (B) *Div'ds historically* paid in early Jan., Apr., July, and Oct. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. intangibles. In '08: $7.67/sh. (D) *In millions.* (E) Rate base: Net original cost. Rate allowed on com. eq. in SC: 11% electric in '08, 10.25% gas in '05; in NC: 10.6% in '08; earned on avg. com. eq., '08: 11.5%. Regulatory Climate: Average.

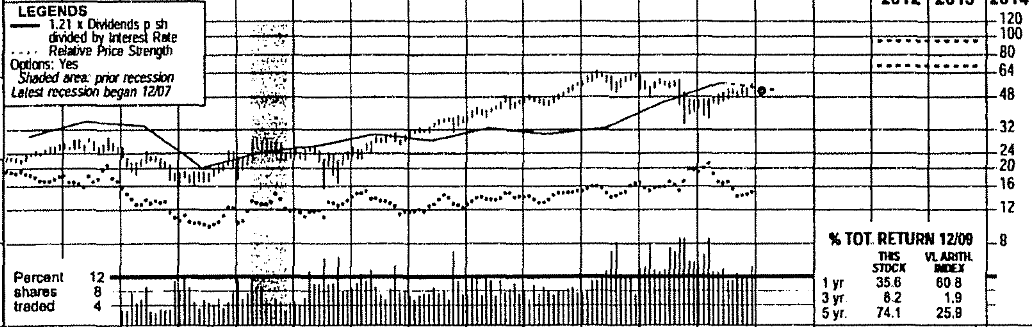
Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100

SEMPRA ENERGY NYSE-SRE

RECENT PRICE 51.45 | P/E RATIO 10.4 (Trailing: 10.5 Median: 11.0) | RELATIVE P/E RATIO 0.63 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Lowered 9/25/09
SAFETY 2 Lowered 2/4/00
TECHNICAL 3 Raised 10/16/09
BETA .85 (1.00 = Market)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	29.3	26.0	24.9	28.6	26.3	30.9	37.9	47.9	57.3	66.4	63.0	57.2	
Low:	23.8	17.1	16.2	17.3	15.5	22.3	29.5	35.5	42.9	50.9	34.3	36.4	



Target Price Range 2012 | 2013 | 2014
120
100
80
64
48
32
24
20
16
12
8

2012-14 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+85%)	19%
Low	70	(+35%)	11%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	1	2	4	3	3	0	0	1	1
to Sell	2	2	4	4	3	2	0	1	2

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	195	219	183
to Sell	189	176	198
Hld's(000)	159086	160709	160869

% TOT. RETURN 12/09

	THIS STOCK	VL ARITH. INDEX
1 yr	35.6	60.8
3 yr	8.2	1.9
5 yr.	74.1	25.9

1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
16.99	17.01	16.05	17.09	19.51	23.31	22.89	35.38	39.27	29.38	34.81	40.18	45.64	44.89	43.79	44.21	31.05	36.15	Revenues per sh	46.00
3.95	4.01	4.33	4.83	5.27	5.16	5.36	4.91	5.39	5.71	5.56	6.58	5.96	6.74	6.93	7.40	8.00	8.70	"Cash Flow" per sh	10.75
1.81	1.75	1.94	1.98	2.20	1.24	1.66	2.06	2.55	2.79	3.01	3.93	3.52	4.23	4.26	4.43	4.80	5.10	Earnings per sh A	6.00
1.48	1.52	1.56	1.56	1.56	1.56	1.56	1.00	1.00	1.00	1.00	1.00	1.16	1.20	1.24	1.37	1.56	1.72	Div'd Decl'd per sh B ■ †	2.10
3.20	2.26	1.89	1.79	1.74	1.85	2.48	3.76	5.22	5.92	4.63	4.62	5.46	7.28	7.70	8.47	10.35	10.25	Cap'l Spending per sh	9.50
13.01	12.65	13.04	13.46	13.82	12.29	12.58	12.35	13.17	13.79	17.17	20.78	23.95	28.66	31.87	32.75	35.65	39.10	Book Value per sh C	50.75
116.52	116.54	116.54	116.63	113.63	237.00	237.40	201.90	204.48	204.91	226.60	234.18	257.19	262.01	261.21	243.32	246.50	249.00	Common Shs Outst'g D	250.00
14.3	11.8	11.2	11.3	10.8	21.1	12.8	9.4	9.7	8.2	9.0	8.6	11.8	11.5	14.0	11.8	10.0		Avg Ann'l P/E Ratio	14.0
.84	.77	.75	.71	.62	1.10	.73	.61	.50	.45	51	.45	.63	.62	.74	.72	.65		Relative P/E Ratio	.95
5.7%	7.4%	7.2%	7.0%	6.6%	6.0%	7.4%	5.2%	4.1%	4.4%	3.7%	2.9%	2.8%	2.5%	2.1%	2.6%	3.2%		Avg Ann'l Div'd Yield	2.5%
						5435.0	7143.0	8029.0	6020.0	7887.0	9410.0	11737	11761	11438	10758	7650	9000	Revenues ($mill)	11500
						405.0	440.0	534.0	586.0	655.0	930.0	898.0	1118.0	1135.0	1123.0	1205	1305	Net Profit ($mill)	1530
						30.7%	38.0%	28.8%	19.9%	23.2%	17.2%	--	31.3%	33.6%	29.2%	30.0%	30.0%	Income Tax Rate	30.0%
						2.2%	3.6%	5.2%	10.8%	8.4%	2.9%	5.3%	7.2%	11.5%	13.2%	12.0%	12.0%	AFUDC % to Net Profit	10.0%
						47.6%	56.2%	55.7%	58.6%	48.4%	45.3%	43.1%	37.0%	34.8%	44.5%	47.0%	46.0%	Long-Term Debt Ratio	44.5%
						49.0%	40.4%	41.2%	38.6%	49.0%	52.6%	55.1%	61.4%	63.7%	54.2%	52.0%	53.0%	Common Equity Ratio	55.0%
						6092.0	6168.0	6532.0	7312.0	7931.0	9255.0	11178	12229	13071	14692	16925	18400	Total Capital ($mill)	23100
						5394.0	5726.0	6217.0	6832.0	10474	11086	12101	13175	14884	16865	18650	20325	Net Plant ($mill)	24000
						8.3%	9.0%	10.2%	9.8%	9.8%	11.3%	9.2%	10.3%	9.6%	8.5%	8.5%	8.5%	Return on Total Cap'l	8.0%
						12.7%	16.3%	18.4%	19.3%	16.0%	18.4%	14.1%	14.5%	13.3%	13.8%	13.5%	13.0%	Return on Shr. Equity	12.0%
						13.2%	17.2%	19.4%	20.4%	16.6%	18.9%	14.4%	14.8%	13.5%	14.0%	13.5%	13.5%	Return on Com Equity E	12.0%
						.9%	7.4%	11.9%	13.1%	11.3%	14.9%	10.1%	11.0%	9.7%	9.7%	9.0%	9.0%	Retained to Com Eq	8.0%
						94%	58%	40%	37%	33%	22%	31%	26%	29%	31%	33%	33%	All Div'ds to Net Prof	35%

CAPITAL STRUCTURE as of 9/30/09
Total Debt $8318.0 mill. **Due in 5 Yrs** $3022.0 mill.
LT Debt $6845.0 mill. **LT Interest** $380.0 mill.
(LT interest earned: 5.9x)
Leases, Uncapitalized Annual rentals $89.0 mill.
Pension Assets-12/08 $1.74 bill. **Oblig.** $2.87 bill.
Pfd Stock $179.0 mill. **Pfd Div'd** $9.0 mill.
1,373,770 shs. 4.40%-5% cumulative, $20 par, callable $20.25-$24; 2,040,000 shs. $1.70-$1.82 cum., no par, callable $25.595-$26; 800,000 shs. $4.36-$4.75 cum., no par, callable $100-$101.50; 811,073 shs. 6% cum., $25 par.
Common Stock 246,442,856 shs. **as of 11/5/09**
MARKET CAP: $13 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+5.3	+.2	+1.8
Avg. Indust. Use (MWH)	4596	4474	4569
Avg. Indust. Revs. per KWH (¢)	8.00	10.06	9.15
Capacity at Peak (Mw)	NMF	NMF	NMF
Peak Load, Summer (Mw)	NMF	NMF	NMF
Annual Load Factor (%)	NMF	NMF	NMF
% Change Customers (yr-end)	+1.3	+.7	+.5
Fixed Charge Cov. (%)	409	419	347

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Revenues	8.5%	5.0%	.5%
"Cash Flow"	3.5%	5.0%	7.5%
Earnings	9.0%	9.0%	5.5%
Dividends	-2.0%	5.0%	8.5%
Book Value	9.0%	16.0%	8.5%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	3336	2486	2694	3245	11761
2007	3004	2661	2663	3110	11438
2008	3270	2503	2692	2293	10758
2009	2108	1689	1853	2000	7650
2010	2400	2000	2100	2500	9000

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.90	.71	1.29	1.33	4.23
2007	.86	1.06	1.24	1.10	4.26
2008	.92	.98	1.24	1.30	4.43
2009	1.29	1.06	1.27	1.18	4.80
2010	1.30	1.20	1.30	1.30	5.10

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.29	.30	.30	30	1.19
2007	.30	.31	.31	.31	1.23
2008	.31	.32	.35	35	1.33
2009	.35	.39	.39	.39	1.52
2010	.39				

BUSINESS: Sempra Energy is a holding company for San Diego Gas & Electric Co., which sells electricity and gas mainly in San Diego County, & Southern California Gas Co., which distributes gas to most of Southern California. Customers: 1.4 million electric, 6.6 million gas. Electric revenue breakdown, '08: residential, 42%; commercial, 37%; industrial, 9%; other, 12%. Purchases most of its power; the rest is nuclear and gas. Has various nonutility subsidiaries (47% of '08 earnings). Acq'd EnergySouth 10/08. Power costs: 54% of revenues. '08 deprec rate: 3.0%. Has 13,600 employees. Chairman & CEO: Donald E. Felsinger. President & COO: Neal E. Schmale. Inc.: California. Address: 101 Ash St., San Diego, CA 92101-3017. Tel.: 619-696-2034. Internet: www.sempra.com.

Wall Street is awaiting an announcement regarding Sempra Energy's joint venture with RBS. The joint venture for this commodities (mainly energy related) trading operation has been in effect since the start of the second quarter of 2009. The structure of the agreement is very attractive for Sempra. Maintaining the status quo is not an option because European regulators are forcing RBS to sell its stake. It is possible that another bank will purchase RBS's 51% stake in the operation, or will make an offer for the whole business. On the other hand, it is not out of the question that Sempra will buy RBS's share. If a bank buys the entire business, Sempra would probably use at least some of the cash to repurchase stock and retire debt. It might also use the money to fund acquisitions. However, the sale of the whole operation would be dilutive to Sempra's earnings. Note that our estimates and projections are for Sempra in its current configuration.

Meanwhile, the company continues to proceed with some large projects. It owns a 25% stake in the Rockies Express gas pipeline project that was completed last fall. Sempra's share of the cost was $1.7 billion. The company's two utility subsidiaries are building an advanced metering system for a total of $1.4 billion, and San Diego Gas & Electric is seeking some remaining approvals that it needs before it can construct a transmission line for $1.9 billion.

We have lowered our 2010 earnings estimate by $0.15 a share, to $5.10. That's because interest expense will probably be higher than we had expected, following the issuance of $750 million of long-term debt last fall. Our revised profit estimate for 2010 is still within Sempra's targeted range of $5.00-$5.25 a share.

We estimate that the board of directors will raise the dividend later this month. This is when the directors normally consider a dividend hike. We estimate a boost of $0.04 a share (10.3%) in the quarterly payout, but we don't know how the situation with the RBS joint venture will affect the board's decision.

Investors should stay on the sidelines for now. An unfavorable outcome to the joint venture might hurt the share price.

Paul E. Debbas, CFA *February 5, 2010*

(A) Diluted egs. Excl. nonrec. gain (losses): '05, 17¢; '06, (6¢); '09, (26¢); gain (losses) from disc. ops.: '04, (10¢); '05, (4¢); '06, $1.21; '07, (10¢). '08 EPS don't add due to rounding. Next egs. report due late Feb. (B) Div'ds histor. paid mid-Jan., Apr., July & Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. intang. In '08: $10.38/sh. (D) In mill. Excl. ESOP shs. (E) Rate base: Net orig. cost. Rate all'd on com. eq.: SDG&E in '08, 11.1%; SoCalGas in '03, 10.82%; earn. on avg. com. eq., '08: 13.6%. Reg. Clim.: Above Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	95

XCEL ENERGY NYSE-XEL

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
20.80	14.1	(Trailing: 14.1 Median: 15.0)	0.85	4.8%	VALUE LINE

High:	30.8	27.9	30.0	31.8	28.5	17.4	18.8	20.2	23.6	25.0	22.9	21.9
Low:	25.7	19.3	16.1	24.2	5.1	10.4	15.5	16.5	17.8	19.6	15.3	16.0

Target Price Range 2012 | 2013 | 2014

TIMELINESS 3 Lowered 7/17/09
SAFETY 2 Raised 5/14/04
TECHNICAL 3 Raised 10/30/09
BETA .65 (1.00 = Market)

2012-14 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+20%)	9%
Low	19	(-10%)	3%

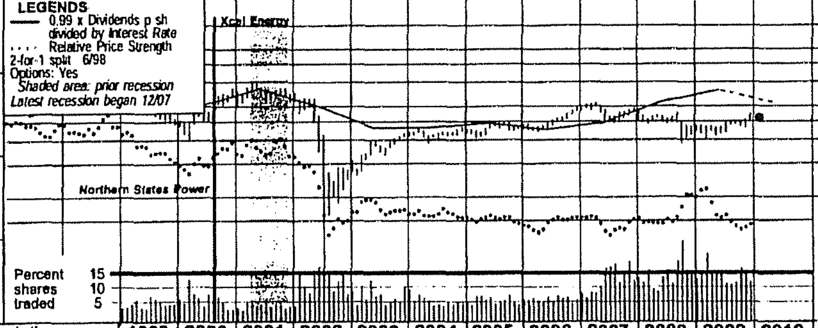
Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	2	0	1	2	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2009	2Q2009	3Q2009
to Buy	168	180	158
to Sell	174	171	175
Hld's(000)	266312	260458	267095

LEGENDS
— 0.99 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/98
Options: Yes
Shaded area: prior recession
Latest recession began 12/07



% TOT. RETURN 12/09

	THIS STOCK	VL ARITH. INDEX
1 yr.	20.3	60.8
3 yr.	5.8	1.9
5 yr.	46.7	25.9

Xcel Energy was formed through the merger of Northern States Power and New Century Energies on August 21, 2000. NSP stockholders received one share of Xcel for every NSP share, and NCE stockholders received 1.55 shares of Xcel for each NCE share. Data prior to 2000 reflect NSP on a standalone basis and are not comparable with Xcel data.

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
18.42	34.11	43.56	23.89	19.90	20.84	23.86	24.16	23.40	24.69	*21.10*	*22.80*	Revenues per sh	*26.75*
4.13	4.12	5.09	3.14	3.35	3.27	3.28	3.61	3.45	3.50	*3.50*	*3.70*	"Cash Flow" per sh	*4.50*
1.43	1.60	2.27	.42	1.23	1.27	1.20	1.35	1.35	1.46	1.49	*1.60*	Earnings per sh A	*2.00*
1.45	1.48	1.50	1.13	.75	.81	.85	.88	.91	.94	.97	*1.00*	Div'd Decl'd per sh B ■	*1.10*
13.87	3.63	7.40	6.04	2.49	3.19	3.25	4.00	4.89	4.66	*3.95*	*4.85*	Cap'l Spending per sh	*5.75*
16.42	16.37	17.95	11.70	12.95	12.99	13.37	14.28	14.70	15.35	*15.90*	*16.55*	Book Value per sh C	*19.25*
155.73	339.79	345.02	398.71	398.96	400.46	403.39	407.30	428.78	453.79	*457.00*	*460.50*	Common Shs Outst'g D	*470.00*
16.6	14.3	12.4	NMF	11.6	13.6	15.4	14.8	16.7	13.7	12.7		Avg Ann'l P/E Ratio	*11.5*
.95	.93	.64	NMF	.66	.72	.82	.80	.89	.83	.83		Relative P/E Ratio	*.75*
6.1%	6.4%	5.3%	6.6%	5.2%	4.7%	4.6%	4.4%	4.0%	4.7%	5.1%		Avg Ann'l Div'd Yield	*4.8%*
2869.0	11592	15028	9524.4	7937.5	8345.3	9625.5	9840.3	10034	11203	9642.6	*10500*	Revenues ($mill)	*12600*
240.1	545.8	784.7	177.6	510.0	526.9	499.0	568.7	575.9	645.7	685.5	*745*	Net Profit ($mill)	*970*
21.6%	35.8%	28.2%	32.7%	23.7%	23.2%	25.8%	24.2%	33.8%	34.4%	35.1%	*35.0%*	Income Tax Rate	*35.0%*
2.5%	4.4%	7.1%	46.7%	8.9%	10.9%	8.5%	9.8%	12.5%	15.9%	16.8%	*12.0%*	AFUDC % to Net Profit	*12.0%*
54.7%	58.8%	66.7%	59.6%	55.3%	55.0%	51.7%	52.1%	49.7%	52.2%	*52.0%*	*53.0%*	Long-Term Debt Ratio	*51.0%*
40.5%	40.5%	32.8%	39.5%	43.8%	44.1%	47.3%	47.0%	49.4%	47.1%	*47.5%*	*46.0%*	Common Equity Ratio	*48.5%*
6316.2	13745	18911	11815	11790	11801	11398	12371	12748	14800	*15300*	*16500*	Total Capital ($mill)	*18600*
4451.5	15273	21165	18816	13667	14096	14696	15549	16676	17689	*18575*	*19825*	Net Plant ($mill)	*23700*
5.4%	6.0%	6.0%	5.4%	6.1%	6.2%	6.2%	6.2%	6.3%	6.0%	*6.0%*	*6.0%*	Return on Total Cap'l	*7.0%*
8.4%	9.6%	12.5%	3.7%	9.7%	9.9%	9.1%	9.6%	9.0%	9.1%	*9.5%*	*9.5%*	Return on Shr. Equity	*10.5%*
8.6%	9.7%	12.6%	3.7%	9.8%	10.0%	9.2%	9.7%	9.1%	9.2%	*9.5%*	*9.5%*	Return on Com Equity E	*10.5%*
NMF	.9%	4.3%	NMF	3.9%	3.9%	2.9%	3.6%	3.1%	3.8%	*3.5%*	*3.5%*	Retained to Com Eq	*5.0%*
100%	91%	66%	NMF	60%	62%	69%	63%	66%	59%	*65%*	*62%*	All Div'ds to Net Prof	*54%*

CAPITAL STRUCTURE as of 9/30/09
Total Debt $8623.9 mill. **Due in 5 Yrs** $2868.8 mill.
LT Debt $7945.4 mill. **LT Interest** $516.5 mill.
Incl. 8,000,000 shares 7.875% tax-deductible Trust Originated Preferred Securities, liquidation value $25/share; 7,760,000 shares 7.60%, cumulative, $25 par; $100 mill. 7.85% tax-deductible Trust Preferred Securities.
(LT Interest earned: 2.9x)
Leases, Uncapitalized Annual rentals $186.4 mill.
Pension Assets-12/08 $2.19 bill. **Oblig.** $2.60 bill.
***Pfd Stock** $105.0 mill.* ***Pfd Div'd** $4.2 mill.*
1,049,800 shares $3.60 to $4.56, cumulative, $100 par, callable $102.00 to $103.75.
Common Stock 456,645,598 shs. as of 10/26/09
MARKET CAP: $9.5 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2006	2007	2008
% Change Retail Sales (KWH)	+1.8	+2.0	+.8
Avg. C & I Use (MWH)	153	153	155
Avg. C & I Revs. per KWH (¢)	6.55	6.57	7.28
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	21255	21108	20596
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.2	+.9	+1.1
Fixed Charge Cov. (%)	238	256	248

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Revenues	2.5%	-3.5%	*2.0%*
"Cash Flow"	-1.5%	-2.0%	*4.0%*
Earnings	-2.5%	1.0%	*6.5%*
Dividends	-4.0%	-4.0%	*3.0%*
Book Value	-.5%	1.0%	*4.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	2888	2074	2411	2467	9840.3
2007	2764	2267	2400	2603	10034
2008	3028	2615	2852	2708	11203
2009	2696	2016	2314	2617	9642.6
2010	*2700*	*2450*	*2700*	*2650*	*10500*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.36	.24	.53	.23	1.35
2007	.28	.16	.59	.31	1.35
2008	.35	.24	.51	.36	1.46
2009	.38	.25	.48	.37	1.49
2010	*.35*	*.28*	*.57*	*.40*	*1.60*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.215	.215	.2225	.2225	.88
2007	.2225	.2225	.23	.23	.91
2008	.23	.23	.2375	.2375	.94
2009	.2375	.2375	.245	.245	.97
2010	.245				

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power, which supplies power to Minnesota, Wisconsin, North Dakota, South Dakota, Michigan, & gas to Minnesota, Wisconsin, North Dakota, & Michigan; Public Service of Colorado, which supplies power & gas to Colorado; & Southwestern Public Service, which supplies power to Texas & New Mexico. Customers: 3.4 mill. electric, 1.9 mill. gas. Electric revenue breakdown, '08: residential, 28%; commercial & industrial, 53%; other, 19%. Generating sources not available. Fuel costs: 61% of revs. '08 reported deprec. rate: 3.2%. Has 11,200 employees. Chairman, President & CEO: Richard C. Kelly. Inc.: MN. Address: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Internet: www.xcelenergy.com.

Xcel Energy's utility subsidiary in Colorado has received part of the rate increase that it was granted. Public Service of Colorado had filed for an electric rate increase of $177.4 million (6.7%), partly to place the Comanche 3 coal-fired unit in the rate base. The Colorado commission granted the utility a rate hike of $128.3 million, based on a return on equity of 10.5%. But, because Comanche 3 didn't enter commercial operation at the end of 2009, as scheduled, P.S. of Colorado was permitted to put just $67.0 million of the rate increase in effect at the start of 2010. Once Comanche 3 begins service (something that was expected in February of 2010), electric rates will be raised by an additional $54.0 million. The utility will receive the remaining $7.3 million at the start of 2011, to reflect higher property taxes.

Northern States Power has received small electric rate increases in Wisconsin and South Dakota. In Wisconsin, NSP was granted a tariff hike of $6.4 million (1.2%) based on a return of 10.4% on a common-equity ratio of 52.3%. In South Dakota, the utility received a rate increase of $10.9 million in a regulatory settlement that did not specify an allowed ROE.

We estimate that earnings will rise in 2010. The rate relief that Xcel's utilities received in early 2010, along with a full year of increases granted in 2009, are the primary reasons for bottom-line growth. Our share-profit estimate of $1.60 is at the midpoint of Xcel's targeted range of $1.55-$1.65. (The delay for Comanche 3 is not expected to affect earnings; Xcel did not revise its 2010 guidance.)

Xcel is proposing a nuclear uprate program at its two nuclear stations. This would add 235 megawatts of capacity and extend the plants' life by 20 years. The cost would be $1.1 billion. The company still needs some federal and state regulatory approvals before it can proceed with the program.

More-attractive selections are available elsewhere. The share price didn't fall as much as most other utilities in the sharp market downturn that began in September of 2008. The yield is about equal to the industry average, but 3- to 5-year total return potential is below average.

Paul E. Debbas, CFA *February 5, 2010*

(A) Diluted EPS. Excl. nonrec. loss: '02, $6.27; gains (losses) on discont. ops.: '03, 27¢; '04, (30¢); '05, 3¢; '06, 1¢; '09, (1¢). '06, '07 & '09 EPS don't add due to rounding. Next egs. report due late Apr. (B) Div'ds historically paid in mid-Jan., April, July, and Oct. ■ Div'd reinvest plan avail. (C) Incl. intang. In '08: $5.23/sh. (D) In mill., adj. for split. (E) Rate base: Varies. Rate allowed on com. eq.: MN '09, 10.88%; WI '08, 10.75%; CO '10 (elec.), 10.5%; CO '07 (gas) 10.25%; TX '86, 15.05%; earned on avg. com. eq., '08: 9.7%. Regulatory Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	80

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 57

Responding Witness: William E. Avera

Q-57. Refer to Exhibit WEA-4 and the Avera Testimony at pages 25-29.

a. Provide a list of the state utility regulatory commissions and the attendant orders that explicitly based return on equity awards on the estimated returns of non-utility sector companies.

b. The testimony on page 25 states that a "similarity of experienced business risk and financial risk" should be the standard for selecting companies to be included in a proxy group. The testimony discusses at length both the business risk and the financial risks faced by LG&E and the electric and gas utility industry. However, there is neither a comparable discussion of the business risks faced by companies in the Non-Utility Proxy Group nor any discussion of how these risks are comparable to the electric and gas industries. Provide such discussions of the risks faced by each company and non-utility industry.

A-57. a. Dr. Avera has not conducted any detailed review of past regulatory orders to identify those cases in which regulators have "explicitly based return on equity awards on the estimated returns of non-utility sector companies." Dr. Avera would note, however, that in the early days of utility regulation it was common practice to base authorized returns solely on data for firms in the competitive sector of the economy. As explained in Dr. Avera's testimony, regulatory standards reflect the need to establish a rate of return that is commensurate with those available on other investments of comparable risk. As noted in Regulatory Finance, Utilities' Cost of Capital, Public Utility Reports, Inc. (1994):

> It should be emphasized that the definition of a comparable risk class of companies does not entail similarity of operation, product lines, or environmental conditions, but rather similarity of experienced business and financial risk. ... Investors do make such risk comparisons between industrial and utility stocks. (p. 58)

b. Dr. Avera did not include a discussion of the individual risks faced by the various industries or companies represented in his Non-Utility Proxy Group because this was not necessary to support his analyses and conclusions. As discussed in Dr. Avera's testimony, his analyses focused on an analysis of four objective risk indicators that are widely referenced by investors. These indicators provide broad, objective measures of overall investment risk that consider company and industry-specific factors. As a result, they provide a sound basis on which to compare the investment risks of the Non-Utility Proxy Group to those of LG&E and the Utility Proxy Group.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 58

Responding Witness: William E. Avera

Q-58. Refer to Exhibit WEA-2 and the Avera Testimony at page 31. Provide a copy of the workpapers and a detailed explanation of how the stock prices were obtained to determine the expected dividend yield.

A-58. As indicated in footnote (a) to Exhibit WEA-2, the stock prices used to compute the dividend yield for each of the utilities in the proxy group were those reported by the Value Line Investment Survey in its *Summary and Index,* with a copy of the source document being included as WEA WP-48 to Dr. Avera's workpapers provided in response to AG-1 Question No. 190.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 59

Responding Witness: William E. Avera

Q-59. Refer to the Avera Testimony at page 34. Provide a copy of the documents referenced in footnotes 44 and 46.

A-59. The documents referenced in footnotes 44 and 46 are contained in the response to AG-1 Question No. 190 and are as follows:

Footnote No.	File Reference
44	WEA WP-35
46	WEA WP-36

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 60

Responding Witness: William E. Avera

Q-60. Refer to Exhibit WEA-2 and the Avera Testimony at pages 36 – 37. In the case of regulated utilities, provide an explanation of why it is not circular to use the "sustainable growth" method to determine returns on equity.

A-60. While Dr. Avera's testimony indicates that the earnings growth projections of securities analysts provide a superior guide to investors' expectations, the sustainable growth approach is frequently referenced in regulatory proceedings and is consistent with the theory underlying the constant growth DCF model. In implementing the constant growth DCF model, a key requirement is that the growth rates reflect the forward-looking expectations of investors, which includes their assumptions regarding the actual rates of return expected in future periods. These expected earned rates of return are dependent on the authorized rates of return that are expected in future periods, but this is also the case for future growth in earnings, dividends, and book value, which are all ultimately tied to a utility's ability to recover its reasonable and necessary costs of service, including a fair ROE. In other words, it is investors' expectations – including those for future allowed ROEs -- that determine observable stock prices, and these are the only proper basis for the growth rate used in applying the DCF model.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 61

Responding Witness: William E. Avera

Q-61. Refer to Exhibit WEA-2 and the Avera Testimony at page 38. In the case of regulated utilities, provide a discussion of how using the expected growth rate of stock prices determined by stock analysts in the Discounted Cash Flow model satisfies the requirements of the model and produces credible results.

A-61. Reference to investors' expectations for growth in share prices in applying the DCF model is based directly on the theory and assumptions underlying this approach, and not on Dr. Avera's professional judgment. The DCF model is based on the notion that observable stock prices are equal to the present value of the cash flows that investors expect to receive, both in the form of dividends and stock price appreciation over their holding period. Thus, growth in stock price is directly related to investors' expected returns, and projected stock prices from investment advisory services such as the Value Line Investment Survey ("Value Line") are widely reported and available to investors. For example, Value Line reports the annualized total expected return based on expected share price appreciation for each of the stocks it covers (*see, e.g.*, WEA WP-49 provided in response to AG Question No. 190). In other words, projected growth in stock price is directly relevant to an analysis of the future cash flows that investors expect to receive when they purchase common stocks and is entirely consistent with the underlying basis of the DCF model. Similarly, under the assumptions required to derive the constant growth form of the DCF model, stock price, earnings, dividends, and book value are all expected to grow at the same rate. Dr. Myron Gordon noted in his seminal article, *The Cost of Capital to a Public Utility* (1974), that growth in stock price could serve as another guide to investors' growth expectations in the constant growth DCF model, observing that, "[T]he rate of growth in the price of a stock ... will respond to all of the factors mentioned above and, in addition, to the yield investors require on the share." Similarly, *The Cost of Capital – A Practitioner's Guide*, published by the Society of Utility and Regulatory Financial Analysts, observed that under the assumptions of the DCF model, "The stock price grows proportionally to the growth rate." Copies of the above-referenced sources are in the attached CD, in the folder titled Question No. 61.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 62

Responding Witness: William E. Avera

Q-62. Refer to Exhibit WEA-2 and the Avera Testimony at page 39. Provide a copy of the relevant pages in the Federal Energy Regulatory Commission ("FERC") document cited in footnotes 49 and 50 that discuss FERC's rationale and decision with regard to rate of return.

A-62. Copies of the page numbers as cited in Dr. Avera's testimony are attached. Copies of the FERC Orders referenced on page 39 in Dr. Avera's testimony are contained on the attached CD in the folder titled Question No. 62, referenced as Attachment 1 and Attachment 2.

n46 See trial staff's Initial Comments, Att. D-1, at pp. 12-15.

n47 Both Constellation and Duke are forecasted to issue stock.

n48 Exh. SCE-104, at p. 14 (containing a corrected forecasted growth rate of eight percent rather than 39 percent for the one analyst that was excluded from trial staff's calculation).

[**49]

An adjustment to this data is appropriate in the case of PG&E's low-end return of 8.42 percent, which is comparable to the average Moody's "A" grade public utility bond yield of 8.06 percent, for October 1999. n49 Because investors generally cannot be expected to purchase stock if debt, which has less risk than stock, yields essentially the same return, this low end-return cannot be considered reliable in this case. Therefore, excluding this single outlier, the resulting zone of reasonableness for the comparable companies is 9.59 percent to 12.44 percent. The midpoint return is 11.02 percent.

n49 Exh. SCE-104, at p. 31.

We will next consider where, within this zone of reasonable returns, SoCal Edison's ROE should be set. In making this determination, it is necessary to measure the business and financial risks faced by SoCal Edison relative to the overall risks attributable to the appropriate proxy group of companies. As noted above, a substantial body of evidence has been presented in this case arguing [**50] for and against the relative riskiness of a utility transferring its transmission assets to an ISO. In addition, SoCal Edison, trial staff, and SMUD attempted to quantify the potential risks associated with SoCal Edison's transfer of assets to the California ISO. However, much of this evidence was disputed by one party or another, or was speculative. In addition, much of the evidence submitted by the parties in their Initial Comments and Reply Comments was tied only tangentially to SoCal Edison.

The revised and updated DCF analyses submitted by SoCal Edison, trial staff and SMUD reflect updated investor expectations for SoCal Edison, which are based on more than a year's worth of operating practice by the California ISO. Given the conflicting evidence in this case on the issue of risk, we find that the updated financial data relied upon above is the best quantifiable measure of the investment communities' current risk assessment for SoCal Edison.

SoCal Edison argues that its risks exceed those of the proxy group based, among other things, on the rating of the comparable group's senior secured debt. Except for two of the five Southern Company subsidiaries, which have the same S&P [**51] bond rating as SoCal Edison, the rest of the companies in this proxy group are rated "AA-". n50 SoCal Edison's zone of reasonableness (9.89 - 10.51 percent) places SoCal Edison at the lower end of the zone of reasonableness of the comparable companies. This would be a reasonable result, if SoCal Edison was less risky than the comparable companies. However, based on the higher bond ratings of the comparable companies, we find that SoCal Edison is more risky than the comparison group. Therefore, the appropriate ROE for SoCal Edison should be above the midpoint of returns indicated for the comparison group. Therefore, we will establish SoCal Edison's ROE at the midpoint of the upper half of the zone of reasonableness. n51 That zone is 11.02 - 12.44 percent with a midpoint [*61,267] of 11.73. However, because this return exceeds SoCal Edison's own request, we will adjust the indicated return downward to 11.60 percent.

n50 Exh. SCE-102, at p. 18.

n51 See Consumers Energy Company, 85 FERC P61,100 at p. 61,364 (1998).

[**52]

Use of Updated Data

Because capital market conditions may change significantly between the time the record closes and the date the Commission issues a final decision, we have consistently required the use of updated data in setting a company's ROE. n52 Here, however, the re- opened record authorized by the September 17 Order has permitted us to use current data, making any additional updates unnecessary. Consequently, SoCal Edison's ROE will be set at 11.6 percent for the peup to 120 basis points above the average utility bond yield should be excluded from the proxy group.[83] Therefore, Pioneer proposes to exclude Consolidated Edison, Duke Energy, NiSource Inc., Otter Tail, and Vectren from the proxy group. The Commission finds that the exclusion of Duke, NiSource, and Otter Tail is consistent with Opinion No. 445, where the Commission found that "investors generally cannot be expected to purchase stock if debt, which has less risk than stock, yields essentially the same return."[84]

94. However, the Commission finds that Pioneer improperly removed Consolidated Edison and Vectren Corporation from the proxy group on the ground that their low-end ROEs were 113 and 117 basis points above the 6.9 percent average yields on public utility BBB bonds reported by Moody's for the six-month period ending September 2008.[85] In Opinion No. 445 and subsequent precedent, the Commission excluded from the proxy group companies whose low-end ROEs fail to exceed the bond yield by at least some minimum number of basis points. For example, in *Atlantic Path 15*, cited by Pioneer, the Commission accepted the applicant's exclusion of companies with low-end ROEs about 90 basis points above the cost of debt.[86] Thus, the Commission will exclude from the proxy group companies whose low-end ROE is within about 100 basis points above the cost of debt, taking into account the extent to which the excluded low-end

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[83] *Southern California Edison Co.*, 92 FERC ¶ 61,070, at 61,266 (2000) (Opinion No. 445); *Kern River Transmission Co.*, 117 FERC ¶ 61,077, at P 140 and n.227 (2006) (*Kern River*); *Atlantic Path 15, LLC*, 122 FERC ¶ 61,135, at P 20 (2008) (*Atlantic Path 15*).

[84] In that case, the Commission excluded one company (PG&E) which had a low-end ROE that was 36 basis points above the average Moody's public utility bond yield, while the next lowest ROE among the proxy companies was 153 basis points above the relevant Moody's bond yield. The Commission concluded that PG&E's low-end ROE "cannot be considered reliable," and thus the Commission excluded "this single outlier." Opinion No. 445, 92 FERC ¶ 61,070 at 61,266.

[85] The Commission's proxy group consists of the following companies: ALLETE, Alliant Energy Corp., Ameren Corp., American Electric Power Co. Inc., Consolidated Edison Inc., Dominion Resources Inc., DPL Inc., Exelon Corp., FirstEnergy Corp., Integrys Energy Group Inc., Pepco Holdings Inc., Public Service Enterprise Group, Vectren Corp., Wisconsin Energy Corp., and Xcel Energy Inc.

[86] Companies that were excluded in *Atlantic Path 15* include Pinnacle West and Idacorp which had low-end ROEs of 89 and 90 basis points above the cost of debt, respectively.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 63

Responding Witness: William E. Avera

Q-63. Refer to Exhibit WEA-4 and the Avera Testimony at page 42.

a. Provide a copy of the relevant pages discussing returns on equity in the FERC document cited in footnote 57.

b. Provide an explanation of whether the FERC decision establishing an "extreme outlier" ceiling was specific to that 2004 case or was it meant to be a hard and fast rule to be applied as a ceiling in all cases thereafter?

c. It does not follow that there is anything illogical about expected earned returns for firms operating in a competitive market that should be eliminated from the analysis. Provide an explanation of why the logic FERC applied to returns for regulated firms at the federal level should apply to firms operating in open competitive markets.

A-63. a. A copy of the page numbers as cited in Dr. Avera's testimony is attached. See the attached Order on CD in the folder titled Question No. 63.

b. The FERC decision referenced in Dr. Avera's testimony at f. 57 has served as precedent in evaluating extreme outliers in subsequent cases. *See, e.g., Potomac-Appalachian Transmission Highline, L.L.C.,* 122 FERC ¶61,188 (2008) and *Tallgrass Transmission, LLC,* 125 FERC ¶ 61,248 (2008).

c. Investors' required rate of return for non-regulated companies are governed by the same fundamental principles of finance as those for regulated utilities. As a result, it is entirely logical to eliminate low and high-end outliers when applying the DCF method to estimate the cost of equity to the Non-Utility Proxy Group.

205. ROE Filers' witness, Dr. Avera, proposes that this group exclude firms that do not pay common dividends, or for which no growth rate data is currently available, as reported by I/B/E/S International, Inc. (I/B/E/S), or Value Line. We find this approach is generally acceptable. However, we will not preclude the presiding judge from finding candidates for inclusion in the proxy group for which comparable data can reasonably be substituted for the growth rate data reported by I/B/E/S or Value Line. We also find it appropriate, as Dr. Avera proposes, to exclude from consideration in the proxy group, companies whose low-end ROE was lower than these companies' reported debt cost. In addition, we agree that the inclusion of PPL Corporation (PPL) in this Proxy Group is inappropriate. Specifically, we find PPL should be excluded from the Proxy Group because its 17.7 percent cost of equity is an extreme outlier and the inclusion of this number in the calculation in an unreliable ROE that will skew the results. As Dr. Avera states in his testimony, it is often necessary to eliminate illogical results from cost of equity estimates that fail to meet threshold tests of economic logic. We believe a 13.3 percent growth rate is not a sustainable growth rate over time and therefore does not meet threshold tests of economic logic.

206. In the March 24 Order we accepted, subject to suspension, hearing and the application of our Pricing Policy Statement (when issued), the ROE Filers' proposed 100 basis point adder[106] attributable to new transmission investment. This incentive is, we stated, is an appropriate first step to encouraging vital capital investment in the enlargement, improvement, maintenance and operation of facilities for the transmission of electric energy in interstate commerce. In order to avoid any potential delay in the hearing as a result of this directive, we find it necessary to provide guidance regarding the types of investments that would qualify for this adder. We direct the parties and the presiding judge to develop a record, in this case, addressing the pros and cons of applying a 100 basis point adder for investments that, among other things: (i) are approved through the RTEP process; (ii) are capable of being installed relatively quickly; (iii) include the use of improved materials that allow significant increases in transfer capacity using existing rights-of-way and structures; (iv) utilize equipment that allows greater control of energy flows, enabling greater use of existing facilities; (v) has sophisticated monitoring and communication equipment that allows real-time rating of

[106] This ROE adder will be applied to net book value over time of such transmission facilities (i.e., the dollar amount of the incentive that is reflected in the cost of service will decrease over time as the book value of the transmission assets are depreciated). In addition, the overall allowed equity return, adjusted for any ROE adder, will be limited to the zone of reasonableness for the public utility authorized to receive an incentive adder.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 64

Responding Witness: William E. Avera

Q-64. Refer to Exhibit WEA-6 and the Avera Testimony at page 44 - 47.

a. Explain why it was necessary to weight the firms in the calculations as opposed to performing the calculations on an unweighted basis.

b. Explain why 30-year treasury bonds, as opposed to 20-year treasury bonds, were not used in the model.

c. Explain how stock prices were used and how they were obtained in calculating the dividend yield referenced in footnote (a) of Exhibit WEA-6.

d. What were the IBES growth rates referenced in footnote (b) of Exhibit WEA-6? Explain how the 9.2 percent average growth rate was calculated.

e. Explain whether the discussion regarding betas means that the utility proxy group's historical betas as reported by Value Line are too low.

A-64. a. Dr. Avera's use of market value weights in the application of his forward-looking CAPM approach patterns the methodology used by S&P to construct the S&P 500, which weights the stock prices of the constituent firms based on market capitalization.

b. Dr. Avera did use 20-year treasury bonds in the model.

c. The stock prices used to calculate the dividend yields for each of the dividend paying firms in the S&P 500 were those reported by Value Line's proprietary stock screening program on October 1, 2009.

d. Please refer to the Excel workbook at WEA WP-58 from Dr. Avera's workpapers, which was provided in response to AG-1 Question No. 190, for all underlying data and calculations supporting the 9.2 percent weighted average growth rate.

e. Dr. Avera's discussion at pages 45-47 of his direct testimony highlights a number of complicating factors that impact the reliability of current CAPM results. As Dr. Avera noted, because the beta values reported by Value Line are based on historical data, they may not reflect the forward-looking expectations of investors, which are the underpinning of the CAPM. This is especially the case in times of rapid and volatile changes in the capital markets, such as those that have recently occurred. Because of the precipitous drop and subsequent partial recovery in stock prices over the last year, reported betas based on historical data have become unstable. Because of this inherent mismatch between the historical circumstances underlying reported beta values and the current perceptions of investors, the CAPM may not accurately reflect investor's forward-looking rate of return requirements.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 65

Responding Witness: William E. Avera

Q-65. Refer to Exhibit WEA-8 and the Avera Testimony at pages 47 and 48. For the expected earnings approach, explain the contribution or effect of the non-regulated operations for each of the companies.

A-65. As noted in Dr. Avera's testimony, the expected rates of return on common equity were based on projected values published by Value Line. Value Line does not publish any data that would indicate the relative contribution of earnings from regulated and non-regulated sources for the firms in the Utility Proxy Group.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 66

Responding Witnesses: Lonnie E. Bellar/William Steven Seelye

Q-66. Refer to page 4 of the Bellar Testimony.

a. The pro forma electric class rates of return for Special Contracts remain less than half the return for the residential class, and significantly lower than the rates of return for all other rate classes. Is this a factor of the underlying rate schedule under which special contract customers would be served absent the contract?

b. Explain why some lighting service increases were approximately 16 percent, according to the data provided in Seelye Exhibit 7, as opposed to the 11.17 percent increase shown in Bellar Table II.

A-66. a. Yes. In past rate cases, the Company has not proposed base rate increases to Special Contract customers that exceeded the percentage increase for the class under which the customers would otherwise take service. In the current proceeding, the Company is proposing to increase all rate classes by approximately the same percentage.

b. The 11.17 percent increase shown in Bellar Table II represents the rate of return from the class cost of service study. Therefore, this percentage does not correspond to the rate increase for the Lighting rates. The overall revenue increase for the lighting rates is 12.22 percent, as shown on Seelye Exhibit 6.

One reason that *base rate* increases for certain lights exceed 12.22 percent is that the percentage increase calculated based solely on the increase in the "base rates" would exclude amounts in the divisor for fuel clause billings, ECR billings, and adjustments to reflect year-end customers. The 12.22 percent increase reflects the increase in *total pro-forma revenue* rather than *base rate revenue*.

Another reason the base rate increases for some lights exceed 12.22 percent is that the Company is not proposing rate increases for certain lighting rates. Particularly, the Company is not proposing to increase the rates for mercury vapor and incandescent lights.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 67

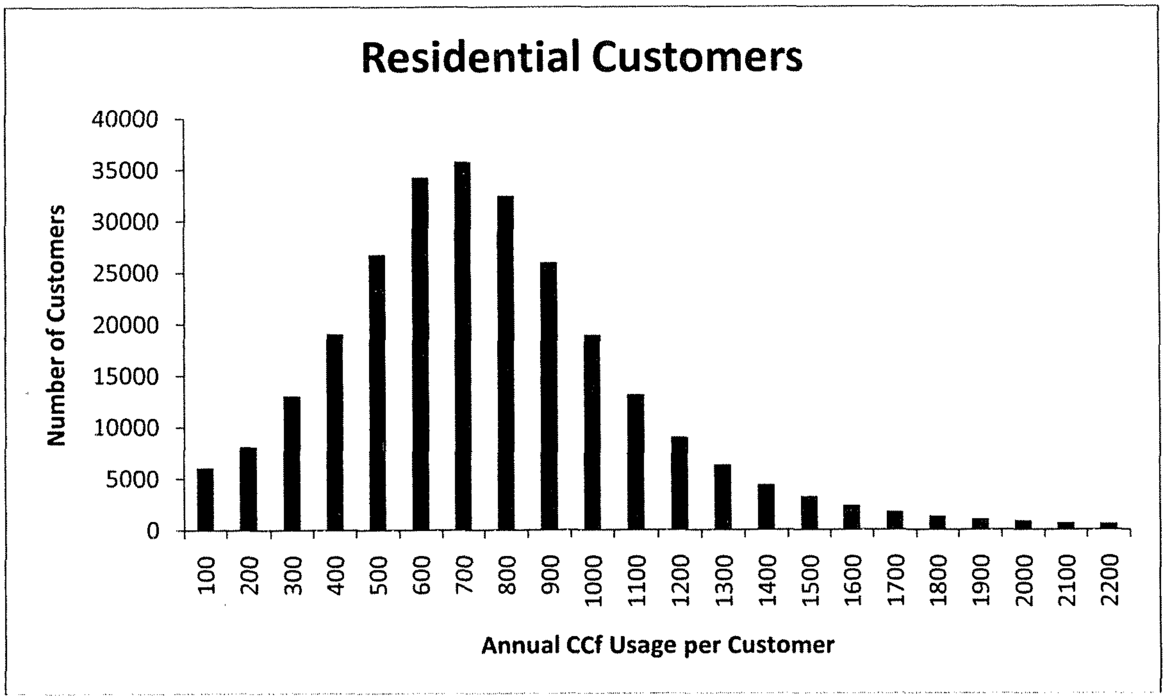
Responding Witness: Lonnie E. Bellar/William Steven Seelye

Q-67. Refer to page 6 of the Bellar Testimony. Explain how the shift from a $9.50 gas customer charge to a $26.53 customer charge takes into account the rate-making principle of gradualism concerning residential rate increases.

A-67. The ratemaking principle of gradualism has far more significance with respect to the impact on total customer bills than the impact on particular components of a bill, such as the basic service charge. While the increase in the customer charge is certainly significant when examined in isolation, it is important to note that the distribution cost component is being eliminated altogether for residential customers. Consequently, it is important to consider the impact on a total residential customer's bill in assessing whether or not the rate design modification addresses the principle of gradualism

For a residential customer with an annual usage equal to the class average, there will be no impact from one rate design to another. A customer whose usage is equal to the average usage for the class will be economically indifferent as to whether all fixed distribution costs are recovered through the basic service charge or through a rate design consisting of a combination of a basic service charge and a volumetric charge (the distribution cost component).

For the majority of the residential customers on LG&E's system, the increase in the basic service charge and the elimination of the distribution cost component will have a relatively small impact on their total average monthly bills. In order to show that this is the case, we need only look at how closely the gas usage of LG&E's residential gas customers fall within a somewhat narrow band around the mean. The relatively tight distribution about the mean can be seen from the following histogram summarizing annual usage data for customers served under Rate RGS for the 12 months ended March 31, 2009:



As can be seen from this histogram, the largest block of customers has an annual consumption between 600 and 700 Ccf annually. Furthermore, approximately 60 percent of the customers have an annual usage that falls between 400 Ccf and 900 Ccf. The reason for the relatively tight distribution about the mean is that almost all residential gas customers use natural gas for space heating. Certainly, a significant number of customers have an annual usage less than 400 Ccf annually, but it must be kept in mind that many of those customers may be using the gas for non-space-heating applications including decorative logs, outdoor gas grills, and yard lighting. These kinds of customers with very limited gas applications are not contributing fully to the costs incurred to serve them.

It is also important to note that based on prior studies, low income customers use more natural gas than the average customer. One reason for this is that low income customers will almost certainly be using natural gas for space heating and are far less likely to be using natural gas solely in limited or non-space-heating applications such as decorative logs, outdoor gas grills, and yard lighting.

The following table compares a customer's average monthly billing at the Company's proposed distribution delivery rate to the average monthly billing at an equivalent distribution rate consisting of a \$13.80 monthly basic charge and a \$0.21852/Ccf distribution delivery charge, at the top and bottom ends of the range and at the average where most of the customers tend to congregate. Overall, the two rates would produce the same test-year revenue. (Note: the \$13.80 monthly basic service for the equivalent two-part rate reflects the customer-related costs from the cost of service study, whereas the $26.53 monthly basic service charge reflects total fixed costs from the cost of service study, as proposed by the Company. See responses to KPSC-2 Question No. 83 and KPSC-2 Question No. 84.)

Annual Consumption	Average Monthly Bill at the Proposed Rate *	Average Monthly Bill at Equivalent Two Part Rate *	Difference
400 Ccf	$44.36	$38.92	$5.44
699 Ccf	$57.69	$57.69	$0.00
900 Ccf	$66.65	$70.31	($3.66)

* This average monthly bill reflects a Gas Supply Cost Component of $0.53494/Ccf corresponding to the Gas Supply Clause in effect from February 2010 to April 2010.

A customer with an average consumption (699 Ccf) will make the same average monthly payment under either rate design. At the bottom end of this range (400 Ccf annual usage), a customer will pay $5.44 more under the proposed rate than under the equivalent two part rate design consisting of a $13.80 monthly customer charge and a $0.21852/Ccf distribution delivery charge. At the top end of the range, where more low-income customers will tend to congregate, a customer will pay $3.66 less per month under the proposed rate.

The point illustrated by this analysis is that while the increase in the basic service charge may seem large, the total effect on most customers served by LG&E will not be quite so large. Certainly, some customers on LG&E's system use a relatively small amount of natural gas on an annual basis. Customers that use natural gas solely to operate decorative logs, outdoor gas grills, and yard lighting will typically not use a significant amount of natural gas on an annual basis. Customers such as these will certainly see a larger *percentage* increase in their bills. In fact, LG&E recognizes that it will be at risk of losing some of these customers. However, the more important ratemaking consideration is that these natural gas customers without a full array of gas applications that includes space-heating are not paying their fair share of the cost of providing service to them. The revenues that the Company currently receives from a customer with an annual usage of only 100 Ccf of natural gas does not begin to cover the fixed cost of providing service to such a customer. While gradualism is an important consideration, setting rates to reflect cost of service and providing the Company a reasonable opportunity to recover its costs are also extremely important rate design considerations.

By more accurately reflecting the actual cost of service, LG&E's proposed rates will help alleviate intra-class subsidies, will send better price signals to customers so that they can make sound economic decisions, and will also help ensure that low-income customers, who typically use more gas than the average customer, are not paying more than their fair share.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 68

Responding Witness: Lonnie E. Bellar

Q-68. Refer to pages 10 – 11 of the Bellar Testimony concerning the termination of the Owensboro Municipal Utility ("OMU") contract. Explain whether termination of the OMU contract was anticipated and taken into consideration at the time the ownership split for TC2 of 19 percent for LG&E and 81 percent for KU was determined.

A-68. The ownership split for TC2 was determined in December 2004 and included in the filing for a Certificate of Public Convenience and Necessity in Case No. 2004-00507. The OMU contract was expected to continue at the time of the ownership ratio was determined and approved. In May 2006 OMU officially issued their four year notice to terminate the contract effective May 2010.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 69

Responding Witness: Robert M. Conroy

Q-69. Refer to page 9 of the Conroy Testimony. Mr. Conroy states that LG&E and KU are not yet able to completely harmonize their rate schedules. Explain why the companies are unable to do so.

A-69. The Companies have made considerable progress towards harmonizing the terms and conditions and the structure of the rate schedules between KU and LG&E. The changes that were made in the previous rate cases and those that are being proposed in this proceeding provide benefits to the administration and interpretation of the services provided to customers, send a more appropriate price signal to the customer, and ultimately improve customer service and satisfaction. LG&E and KU have not completed the harmonization of their rate schedules because futher changes would have resulted in significant customer billing impacts and strained both metering and administrative resources. The Companies will continue to evaluate and harmonize their rate schedules adopting the best practices where appropriate.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 70

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-70. Refer to page 11 of the Conroy Testimony. Explain the differences that Rate ITODP customers will see in their bills and how many customers will be affected by the move to kVA billing for customers migrated to this new rate. Provide the same information for Rate CTODP rate customers.

A-70. Under the current Rate ITOD, the rate structure consists of a customer charge, time-differentiated demand charge billed on a kW basis, energy charge, and power factor provision. Under the power factor provision, the monthly demand charge is decreased 0.4% for each whole percent by which the monthly average power factor exceeds an 80% lagging power factor and is increased 0.6% for each whole one percent by which the monthly average power factor is less than 80% lagging. A lagging power factor relates to whether the customer's power is affected by inductive load requirements, such as motor load; whereas leading power factor relates to whether the customer's power is affected by capacitive load requirements, including capacitors and lightly loaded circuits.

Under the current tariff, power factor is determined on an average basis, which means that the power factor is calculated by dividing the kilowatt hours (kWh) by the kilovolt-amp hours (kVAh) for the month. Therefore, the demand charge is adjusted on the basis of the relationship between average kW demands and average kVA demands for the month. Additionally, under LG&E's current tariff customer demands are adjusted against an 80% power factor.

Under the proposed Rate ITODP, the power factor provision is being eliminated and the billing demand will be determined on a kVA basis rather than on a kW basis. The consequences of billing on a maximum kVA basis are customers will be strongly encouraged to increase their power factor to unity power factor, i.e., a 100% power factor at the time of their maximum demands. During off-peak periods, there are fewer *sinks for reactive power* operating on the system, such as inductors and transformers, but the *sources of reactive power* during off-peak conditions, such as fixed capacitors and lightly loaded circuits, can have the effect of creating leading power factor conditions. As a result, during non-peak conditions leading power factors can be more problematic than lagging power factors. An important aspect of kVA billing is that it corrects for both leading and lagging power factors.

For the ITODP customers as a whole, there is no difference between the total demand charge revenue calculated on a kVA basis and the demand charge revenue that would have otherwise been calculated on a kW basis. However, the effect on individual customers will vary depending on their power factor. In contrast to KU, LG&E's power factor adjustment is determined on the basis of average power factor rather than the power factor calculated during the 15-minute interval when the customer's demand is determined. For KU, the power factor adjustment is based on the power factor determined at the time when the demand is measured for billing purposes. Furthermore, for KU, the demand is adjusted against a 90% rather than an 80% power factor. As a result, large power customers on LG&E's system show a much larger variation in power factor at the time of the measured demand. For this reason, the variation of the impact on individual customers of billing on a kVA basis is anticipated to be larger on the LG&E system than the KU system, because customers on KU's system have already been encouraged to install capacitors to correct against a 90% power factor. Spot checks of individual power factors for ITODP on the LG&E system indicate that customer power factors vary in any given month from 50% to 100%, depending on the amount of motor load that a customer might have and whether the customer has installed capacitors.

For CTODP customers there is also no difference between the total demand charge revenue calculated on a kVA basis and the demand charge revenue that would have otherwise been calculated on a kW basis. Likewise, the effect on individual customers will vary from customer to customer depending on their power factor. Based on spot checks there appear to be less variation in the power factors for CTODP customers than ITODP customers, with power factors varying from 90% to 100%.

The Company has not performed an individual impact analysis of the proposed rates on each primary voltage customer; however, the change proposed by LG&E is much closer to the current approach used by KU. Customers with poor power factors will likely determine that it is less costly to install capacitor banks than continue to pay higher demand charges as a result of maintaining low power factors. Such an investment in capacitors could be paid for in less than a year by lower demand charges on the customer's bills.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 71

Responding Witness: Robert M. Conroy/William Steven Seelye

Q-71. Refer to the Conroy Testimony at page 18. Starting at line 17, Mr. Conroy states that Rate FLS will be based on a five-minute demand billing interval. Explain the reason for this change and describe the effect it will have on current customers

A-71. Currently, LG&E does not have any customers taking service under Rate FLS. As explained on page 25 of Mr. Seelye's direct testimony, Rate FLS is available to large loads that fluctuate significantly within short periods of time. The Company is proposing that Rate FLS be based on a five-minute billing interval in order to encourage any customers that might take service under this rate schedule to manage the fluctuating nature of their loads.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 72

Responding Witness: Robert M. Conroy

Q-72. Pages 23 and 24 of the Conroy Testimony discuss changes to the Availability of Service sections of the Residential Gas Service, Firm Commercial Gas Service, and Firm Industrial Gas Service tariffs to clarify the types of customers to be served under the schedule. Will these clarifications to the customer definitions cause any customers to fail to qualify for the service they are currently receiving? If so, give details of the customers in each class which may be shifted to a different service.

A-72. The proposed clarifications to the Availability of Service sections are not intended to change the kinds of customers served under the respective rate schedule. LG&E is not aware at this time of any customer that will fail to qualify for service under the customer's current rate schedule as a result of the clarifications being proposed by LG&E.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 73

Responding Witness: Robert M. Conroy/J. Clay Murphy/William Steven Seelye

Q-73. Refer to pages 24 and 25 of the Conroy Testimony.

a. How many gas-fired electric generation customers are being served under other rate schedules as opposed to the Distributed Generation Gas Service ("Rate DGGS") tariff which should be applicable to such customers?

b. Explain whether grandfathered gas-fired electric generation customers will continue to be excluded from the provisions of the Rate DGGS tariff after the ninetieth day following the effective date of the revised tariff sheet.

c. Is LG&E currently serving residential customers with gas-fired electric generation capability? If so, under what rate schedule?

d. Provide support for the proposed $30-per-month Basic Service Charge for residential Rate DGGS customers.

e. How many residential customers does LG&E anticipate serving under the Rate DGGS tariff?

f. If residential customers do not require an additional separate point of delivery for gas-fired generation, explain whether they can be served under the residential rate schedule.

A-73. a. LG&E does not know the number of gas-fired electric generation customers being served under other rate schedules. Pursuant to LG&E's proposal, these installations will be grandfathered under the current tariffed rate schedule under which they are being served, and not transferred to Rate DGGS.

b. As currently proposed, grandfathered gas-fired electric generation customers will be excluded from the provisions of the Rate DGGS tariff after the ninetieth day following the effective date of the revised tariff sheet.

c. LG&E is currently serving residential customers with gas-fired electric generation capability under Rate RGS.

d. The Basic Service Charges for Rate DGGS are the same as the Basic Service Charges for Rates CGS and IGS. Absent a request by a residential customer for a separate point of delivery for a gas-fired generation installation, residential customers will not be served under Rate DGGS.

e. LG&E anticipates serving residential customers under Rate DGGS if they request an additional separate point of delivery for gas-fired generation. LG&E does not know how many customers will make such a request following the implementation grandfathering period.

f. Pursuant to the Company's proposal, if a residential customer does not request an additional separate point of delivery for gas-fired generation, then that generator will be served under Rate RGS.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 74

Responding Witness: Robert M. Conroy

Q-74. Refer to Rives Exhibit 2 and page 5 of the Conroy Testimony concerning the adjustment to remove the environmental surcharge rate base from LG&E's capitalization. Provide workpapers, spreadsheets, etc. which show the derivation and the components of the $5,353,166 amount of the environmental surcharge rate base.

A-74. See attached for the environmental surcharge rate base of $5,352,166 as shown on Rives Exhibit 2. Also see the CD attached to the response to KIUC-1 Question No. 21 for an electronic version of the requested information in the folder titled Question No. 21 in the file named "RR Exhibits".

LOUISVILLE GAS AND ELECTRIC COMPANY

Net Original Cost Rate Base as of October 31, 2009

Title of Account (1)	Total Electric (2)	Total ECR October 31, 2009 (3)	Eliminate ECR '01 and '03 Plans October 31, 2009 (4)	ECR Roll-In (1) February 28, 2009 (5)	Eliminate ECR '01 and '03 Plans February 28, 2009 (6)	Net ECR (7) (3 - 4 - 5 + 6)	Base Electric (8) (2 - 6)	Gas (9)	Total Company (10) (6 + 7 + 8)
1. Utility Plant at Original Cost (a)	$ 3,884,036,398	$ 290,896,140	$ 225,893,107	$ 283,853,851	$ 225,893,107	$ 7,042,289	$ 3,876,994,109	$ 726,844,571	$ 4,610,880,969
2. Deduct:									
3. Reserve for Depreciation (a)	1,752,214,062	37,501,864	36,316,703	31,176,384	30,070,389	79,166	1,752,134,896	251,930,195	2,004,144,257
4. Net Utility Plant	2,131,822,336	253,394,276	189,576,404	252,677,467	195,822,718	6,963,123	2,124,859,213	474,914,376	2,606,736,712
5. Deduct:									
6. Customer Advances for Construction	1,848,625	-	-	-	-	-	1,848,625	7,485,292	9,333,917
7. Accumulated Deferred Income Taxes (a)	338,601,920	14,986,242	13,686,992	13,965,363	12,883,866	217,753	338,384,167	48,874,215	387,476,135
8. FAS 109 Deferred Income Taxes	37,321,392	-	-	-	-	-	37,321,392	4,053,496	41,374,888
9. Asset Retirement Obligation-Net Assets	3,342,267	-	-	-	-	-	3,342,267	131,229	3,473,496
10. Asset Retirement Obligation-Regulatory Liabilities	703,529	-	-	-	-	-	703,529	2,353,476	3,057,005
11. Total Deductions	381,817,733	14,986,242	13,686,992	13,965,363	12,883,866	217,753	381,599,980	62,897,708	444,715,441
12. Net Plant Deductions	1,750,004,603	238,408,034	175,889,412	238,712,104	182,938,852	6,745,370	1,743,259,233	412,016,668	2,162,021,271
13. Add:									
14. Materials and Supplies (b)(d)(e)	78,422,832	-	-	-	-	-	78,422,832	60,055	78,482,887
15. Gas Stored Underground (b)	-	-	-	-	-	-	-	66,447,790	66,447,790
16. Prepayments (b)(c)	3,236,899	-	-	-	-	-	3,236,899	659,791	3,896,690
17. Cash Working Capital (page 2)	70,625,892	680,318	316,798	773,476	388,521	(21,435)	70,647,327	7,908,386	78,534,278
18. Mill Creek Ash Dredging-Regulatory Asset	1,028,827	1,028,827	-	2,400,596	-	(1,371,769)	2,400,596	-	1,028,827
19. Total Additions	153,314,450	1,709,145	316,798	3,174,072	388,521	(1,393,204)	154,707,654	75,076,022	228,390,472
20. Total Net Original Cost Rate Base	$ 1,903,319,053	$ 240,117,179	$ 176,206,210	$ 241,886,176	$ 183,327,373	$ 5,352,166	$ 1,897,966,887	$ 487,092,690	$ 2,390,411,743
21. Percentage of Rate Base to Total Company Rate Base	79.62%					0.22%	79.40%	20.38%	100.00%

(1) ECR Roll-in to Electric base rates pursuant to Commission's Order dated December 2, 2009 in Case No. 2009-00311.

(a) Common utility plant and the reserve for depreciation are allocated 74% to the Electric Department and 26% to the Gas Department.

(b) Average for 13 months.

(c) Excludes PSC fees.

(d) Excludes 25% of Trimble County inventories disallowed.

(e) Includes emission allowances.

LOUISVILLE GAS AND ELECTRIC COMPANY

Calculation of Cash Working Capital
As of October 31, 2009

Title of Account (1)	Total Electric (2)	Total ECR October 31, 2009 (3)	Eliminate ECR '01 and '03 Plans October 31, 2009 (4)	ECR Roll-In (1) February 28, 2009 (5)	Eliminate ECR '01 and '03 Plans February 28, 2009 (6)	Net ECR (7) (3 - 4 - 5 + 6)	Base Electric (8) (2 - 6)	Gas (9)	Total Company (10) (6 + 7 + 8)
1. Operating and maintenance expense for the 12 months ended October 31, 2009	$ 642,626,778	$ 5,442,547	$ 2,534,384	$ 6,187,805	$ 3,108,168	$ (171,474)	$ 642,798,252	$ 367,152,680	$ 1,009,779,458
2. Deduct:									
3. Electric Power Purchased	77,619,641	-	-	-	-	-	77,619,641		77,619,641
4. Gas Supply Expenses								303,885,591	303,885,591
5. Total Deductions	$ 77,619,641	$ -	$ -	$ -	$ -	$ -	$ 77,619,641	$ 303,885,591	$ 381,505,232
6. Remainder (Line 1 - Line 5)	$ 565,007,137	$ 5,442,547	$ 2,534,384	$ 6,187,805	$ 3,108,168	$ (171,474)	$ 565,178,611	$ 63,267,089	$ 628,274,226
7. Cash Working Capital (12 1/2% of Line 6)	$ 70,625,892	$ 680,318	$ 316,798	$ 773,476	$ 388,521	$ (21,434)	$ 70,647,326	$ 7,908,386	$ 78,534,278

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 75

Responding Witnesses: Robert M. Conroy/Shannon L. Charnas

Q-75. Refer to pages 29 – 30 of the Rives Testimony and Rives Exhibit 3 concerning the Mill Creek Ash Pond Dredging Regulatory Asset.

a. The amortization of the regulatory asset, in the amount of $6 million, was authorized, by order dated June 20, 2005, to take place over a period of four years. The test year proposed in the application has an October 31, 2009 ending date. Provide the date when LG&E began to amortize the $6 million.

b. $6 million amortized over four years on a straight-line basis would result in a monthly amortization expense of $125,000. The testimony indicates that the $1,028,827 amount being added to the rate base is "[t]he remaining regulatory asset for the Mill Creek Ash Pond dredging." Clarify whether this is the amount remaining as of the end of the test year.

A-75. a. LG&E began amortizing the Mill Creek Ash Pond Dredging regulatory asset in May 2006. The Mill Creek Ash Pond Dredging regulatory asset is included in the environmental cost recovery mechanism per the Commission's June 20, 2005 order in Case No. 2004-00421. The unamortized balance and the monthly amortization expense were included in the monthly ECR filings beginning with the May 2006 expense month.

b. The balance in the Mill Creek Ash Pond Dredging regulatory asset at the end of the test year was $1,028,827. This is the balance contained in ES Form 1.10 for the ECR filing of the October 2009 expense month. Expenses accumulating to the $6M were incurred from April 2006 through May 2008. Beginning in May 2006 the month end balance was amortized over the remaining 4 year period. This amortization is being recovered through the ECR and as such is not included in the determination of base rates.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 76

Responding Witness: Butch Cockerill

Q-76. Refer to page 3 of the Testimony of John Wolfram ("Wolfram Testimony").

a. What is the anticipated cost per customer of metering and incremental costs associated with equipment and installation for the proposed LEV service?

b. How many participants does LG&E anticipate for the LEV service? Does LG&E expect to reach a level of 100 applicants and, if so, does it plan to limit participation on the rate or is that simply an option?

A-76. a. The anticipated meter and installation cost are $136.00 and $21.64 respectively.

b. LG&E cannot predict what the customers' response will be to the new proposed rate or how or when customers will adopt the new low emission vehicles as they are introduced to the market. Until sufficient data is available that allows LG&E to analyze the effects of the new rate, we plan to limit participation to 100 applicants.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 77

Responding Witness: Butch Cockerill

Q-77. Refer to page 5 of the Wolfram Testimony. Has LG&E experienced a problem with deposit installment payments related to customers disconnected for nonpayment? If so, provide details. If not, explain why LG&E is proposing to prohibit such customers from participating in deposit installment payments.

A-77. The Company offers deposit installments over periods of 1, 2, 3 and 4 months. From April 1, 2009 through December 31, 2009, the default rate for deposit installments was 81% (see chart below). This is significantly higher than the rate for a normal utility bill installment plan, which is approximately 55%. By definition, customers disconnected for nonpayment have proven themselves a credit risk. Due to the high default rate with deposit installments, and the inherent credit risk following a nonpay disconnect, the Company proposes to prohibit such customers from participating in deposit installment payments.

Deposit Installment Type	Installments Granted	Installments Defaulted	% Defaulted
1 Month	13,340	10,659	80%
2 Month	875	709	81%
3 Month	2,230	1,808	81%
4 Month	16,114	13,159	82%
Total	32,559	26,335	81%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 78

Responding Witness: J. Clay Murphy

Q-78. Refer to page 5 of the Wolfram Testimony.

a. Are there gas customers currently served from high-pressure mains whose service will be affected by the proposed changes to Tariff Sheet Nos. 98.1 and 106? If so, how many?

b. Explain LG&E's decision-making process in determining whether an applicant for service will be approved to connect to a high-pressure main.

A-78. a. Gas customers currently served directly from high-pressure mains will not be affected by the proposed changes to Tariff Sheet No. 98.1 and 106. The proposed changes are applicable to new connections to high-pressure mains.

b. LG&E has an internal operating policy for connection of new gas loads to high-pressure gas mains. The policy prioritizes high-pressure gas mains into three primary categories. Category I includes pipelines falling under the DOT definition for gas transmission pipelines and are primarily utilized to transport large volumes of gas from city-gate stations to underground storage or to major distribution load centers. Category I pipelines may also carry large volumes of gas from underground storage to major distribution load centers. Category I pipelines includes a sub-category, 1A, that includes the storage field pipelines. Category II includes high-pressure gas mains transporting large volumes of gas between LG&E's city-gate stations or regulator stations to distribution load centers or large volume customers. Category III includes high-pressure mains that would have minimal impact on the overall gas system if damaged. Connection to a high pressure main depends upon which category of pipeline the connection will be made on and the size of the gas load to be served. Connection to Category I pipelines to serve new gas loads are permitted for connected loads meeting or exceeding 5 Mcf/hour. Connections to Category 1A pipelines to serve new gas loads are not allowed due to the fact that natural gas in the storage pipelines is unprocessed and may not meet minimum gas quality standards. We will allow new connections to Category II pipelines for connected gas loads meeting or exceeding 2 Mcf/hour, however, new connections to Category III pipelines have no minimum connected load requirements.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 79

Responding Witness: Butch Cockerill

Q-79. Refer to page 9 of the Wolfram Testimony regarding the offerings to improve customer self-service. One of the items identified is net metering.

a. Provide the number of net metering customers on the LG&E system as of the end of the test year.

b. Provide the impact its net metering customers have on the amount of LG&E's proposed electric revenue requirement.

A-79. a. LG&E has nine (9) net metering service customers at the end of test year.

b. No significant value can be deducted on LG&E's proposed electric revenue requirement.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 80

Responding Witness: Butch Cockerill

Q-80. Refer to pages 9–11 of the Wolfram Testimony regarding the CCS system and Customer Self-Service website.

a. Explain whether there is a direct connection between the CCS system and the Customer Self-Service website, whether the website is a component or function of the CCS system, and when the website became available to customers.

b. Pages 10 and 11 list several functions customers can perform via the Customer Self-Service website. If the website is linked or dependent on the CCS system, identify any of those functions that were not available to customers when the CCS system was implemented on April 1, 2009.

A-80. a. The Customer Self-Service (CSS) website is built using the SAP Utility Customer E-Services (UCES) delivered module of the CCS system. UCES is directly integrated to CCS. The UCES based CSS system became available to customers on April 2nd, 2009.

b. The attached is a table of the process details

Customer Self-service processes	Date Available	Available prior to CCS
- ***<u>Bank Information (Federal Transit Router verification)</u>***		
- Register a bank checking account	April '09	Yes
- Modify a bank checking account	April '09	Yes
- Remove a bank checking account	April '09	Yes
- ***<u>Change Password</u>***		
- Confirm current password and enter a new password	April '09	Yes
Account Overview		
- ***<u>Meter and Usage History Display</u>***		
- table format of usage by meter with option to select time period	May '09	Yes[1]
- graph format of usage by meter for previous 12 months	May '09	No
- download data in cvs format by meter from table format for time period selected	May '09	No
My Bill		
- ***<u>View Bill</u>***		
- Search historical bills for a billed amount	April '09	No
- Display utility bill summary information (previous 3 yrs.)	April '09	Yes
- Display utility bill images by type (previous 13 mos.)	April '09	Yes
- Display disconnect notice image (previous 13 mos.)	April '09	Yes
- Display Budget Billing Reminder letter image (previous 13 mos.)	April '09	Yes
- Display Power Source Newsletter	April '09	Yes
- Download Adobe Reader	April '09	Yes
- ***<u>Pay Bill (eCheck requires "I authorize" check box)</u>***		
- eCheck, Credit Card, Debit Card, ATM Card, PayPal w/realtime statistical credit memo posting and disconnect order cancelation	April '09	Partial[2]
- eCheck future dated payment	April '09	No
- Register a new bank account for current payment transaction use	April '09	No
- Accept Winterhelp/WinterCare one-time donation with eCheck utility bill payment	April '09	Yes
- ***<u>View Payment History</u>***		
- Display payment transactions by status (processed or pending) or by time period (12, 24 or 36 months)	April '09	Partial[3]
- Cancel pending e-check payment (not allowed if payment cancelled a disconnect)	April '09	Yes

Programs		
- ***Energy Efficiency Programs (displays only those programs for which the selected account is eligible)***		
- New Home Energy Star builder and rater lists	Aug '09	No
- Dealer referral network list	Aug '09	No
- High efficiency lighting link to proper usage and disposal pages	Aug '09	No
- Green Energy link to enrollment form and information pages	Aug '09	No
- WeCare Audit link to information page	Aug '09	No
- HVAC Diagnostics and Tune-up link to request form and information pages	Aug '09	No
- Residential Onsite Energy Audit request form and information page	Aug '09	No
- Residential Online Energy Audit preformed realtime	Aug '09	No
- Demand Conservation link to switches and thermostat enrollment and information pages	Aug '09	No
- Commercial Onsite Energy Audit request form and information page	Aug '09	No
- Commercial Rebate request form and information page	Aug '09	No
- ***Billing Options (requires "I authorize" check box)***		
- Display "What are my billing options?"	April '09	Yes
- Display all contract accounts registered to the user and the billing option selected	April '09	Yes
- Allow selection of billing option, eBill e-mail or printed bill	April '09	Yes
- ***Automatic Bank Club (ABC)***		
- Display "What is ABC?"	April '09	Yes
- Enrollment in ABC with registered bank account (requires "I authorize" check box)	April '09	Yes
- Enrollment in ABC with registration of a new bank account (requires "I authorize" check box)	April '09	Yes
- Removal from the ABC program (requires "I accept" check box)	April '09	No
- ***Budget Payment Plan***		
- Display "What is a Budget Payment Plan?"	July '09	No
- Enroll in Budget Payment Plan (requires "I agree" check box)	July '09	No
- Display budget payment history (13 mos.)	July '09	No
- Removal from Budget Payment Plan	July '09	No
- ***Help Those in Need (Winterhelp/WinterCare)***		

- Display "What is Community Winterhelp?" or "What is Community WinterCare?" based on account selected	May '09	Yes
- Enroll in Winterhelp/WinterCare pledge program (requires "I agree" check box)	May '09	Partial[4]
- Modify pledge amount for Winterhelp/WinterCare pledge program (requires "I agree" check box)	May '09	Partial[4]
- Display Winterhelp/WinterCare payment history (for dates entered)	May '09	No
- Removal from Winterhelp/WinterCare pledge program (requires "I agree" check box)	May '09	No
- Payment Arrangement		
- Display existing payment arrangement	Dec '09	No
- Create a non-deposit payment arrangement (requires "I agree" check box)	May '09	No
Report Outage (electric only)		
- Outages involving a pole are considered "urgent" and are written directly to Trouble Order Entry system (TOE)	July '09	No
- Outages not involving a pole are written directly to Outage Management System (OMS)	July '09	No
Service Requests		
- Street Lights		
- Request installation of a new street light	July '09	No
- Request existing street light to be relocated	July '09	No
- Request existing street light to be repaired	July '09	No
- Request existing street light to be removed	July '09	No
- Tree Trimming		
- Report tree limb on wire	July '09	No
- Report trees that need trimming	July '09	No
- Service Order		
- Cover up lines install request (select date and requires "I accept fee" check box)	May '09	No
- Open/Disconnect service temp for repair request (select date and requires "I accept fee" check box)	May '09	No
- Close/Reconnect after repair request (select date)	May '09	No
- Cover up lines remove request (select date)	May '09	No
- Drop lines request (select date and requires "I accept fee" check box)	May '09	No
Moving?		
- Move In		
- Premise search and selection	Aug '09	No
- Enter new construction address	Aug '09	No

- Select one start of service date for all services at the premise	Aug '09	No
- Enter mailing address	Aug '09	No
- ***Move Out***		
- Select one stop service date for all services at the premise	Aug '09	No
- Enter final bill address	Aug '09	No
- ***Transfer to new address***		No
- Select one stop service date for all services at the current premise	Aug '09	No
- Premise search and selection	Aug '09	No
- Enter new construction address	Aug '09	No
- Select one start of service date for all services at the premise	Aug '09	No
- Enter mailing address	Aug '09	No
- Select to transfer ABC to new address, give warning for budget payment plan	Aug '09	No
Meter Reading Entry		
- Display "How do I read my meter?"	May '09	No
- Allow entry of a meter reading with plausability edits	May '09	No
Landlord Agreement		
- Display "What is a Landlord Agreement?"	Oct '09	No
- Allow removal of a premise from an agreement	Oct '09	No
- Allow renewal of a property agreement	Oct '09	No
- Allow adding a premise to a property	Oct '09	No
Low Income Agency Portal	**Date Available**	**Available prior to CCS**
Log-on Authorization		
- User ID and Password verification	July '09	No
Log-off		
- Closes application	July '09	No
Transaction Reporting		
- Mini-report of last 5 transactions for the agency	July '09	No
- Report of transactions for the agency for the time period entered	July '09	No
Account Search and selection		
- Agency representative must accept Terms of Use for each account	July '09	No
Pledge Creation		
- Display account balances and due date	July '09	No
- Display Last Hardship Reconnect, Budget Paymnet Plan, Service	March	

On/Off	'10	
- Display open pledges for the account	July '09	No
- Entry of pledge details - account passcode (if applicable) - agency representative name - pledge amount - pledge type (crisis, subsidy, etc)	July '09	No
- Display account usage history (previous 13 mos.)	July '09	No

[1] Usage History was not available until May '09. Customers could view historical bill images to obtain usage history

[2] Electronic Payments were available prior to CCS. However, with the implementation of CCS, pending disconnect orders are auto cancelled if payment criteria is met.

[3] Prior to CCS only pending eCheck payments were viewable. With the CCS implementation, all pending and posted payments and pledges that have been received are viewable.

[4] Winterhelp enrollment was available prior to CCS but WinterCare enrollment was not.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 81

Responding Witness: William Steven Seelye

Q-81. The Seelye Testimony at pages 1 and 2 states that LG&E's Cost of Service Studies ("COSS") have been prepared using methodologies that have been accepted by the Commission in past rate cases. Identify and explain any changes in methodologies from the COSS prepared in LG&E's most recent rate case and the COSS prepared for the instant case.

A-81. There are no methodological differences between the current cost of service studies and those that were submitted in the last several rate cases. However, the modified Base-Intermediate-Peak (BIP) approach used in the electric cost of service study was adapted to recognize the fact that the system peak occurred during a winter month rather than during a summer month, but the methodology is otherwise same.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 82

Responding Witness: William Steven Seelye

Q-82. Refer to page 2 of the Seelye Testimony. Mr. Seelye summarizes LG&E's proposal to implement Straight Fixed Variable ("SFV") rate design for residential gas service. Mr. Seelye's testimony in Case No. 2008-00252 recommended an increase in the gas residential customer charge from $8.50 to $13.65 per customer per month to bring it in line with the cost of service. The COSS in Case No. 2008-00252 showed that the customer cost for the residential class was $13.71 per customer per month. Explain LG&E's departure from its earlier goal of moving closer to the customer cost per month with its residential customer charge and its move to recover all its fixed non-gas cost through a $26.53 per month basic service charge.

A-82. LG&E still maintains that the customer charge (basic service charge) should *at a minimum* correspond to the customer-related costs as identified in the cost of service study. However, the customer charge alone does not recover all of the fixed costs of providing service to a residential customer. Because a significant portion of the Company's fixed costs is currently recovered through a volumetric charge, on-going reductions in the average usage per customer have a serious adverse effect on the Company's margins. Additionally, recovering fixed costs through a volumetric charge runs contrary to the need from a public policy perspective to remove all incentives for the Company to encourage residential customer to use more natural gas. For example, Section 532(b)(6) of the Energy Independence and Security Act of 2007 states that "each State authority and each non-regulated utility shall consider separating fixed-cost recovery from the volume of transportation or sales service provided to the customer …."

Consequently, as the environment in which LG&E and other local distribution companies is required to provide service has changed, LG&E has shifted its ratemaking objectives to some degree with respect to its natural gas rates. Particularly, and in order to help prevent the continuing deterioration in its cost recovery and to align the interests of the Company and its customers for promoting energy efficiency, the Company is seeking to recover all of its residential fixed costs through a fixed monthly charge, rather than a volumetric charge. Absent this alignment, a local distribution company remains conflicted as between its responsibilities to its shareholders and its responsibilities to its customers.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 83

Responding Witness: William Steven Seelye

Q-83. Provide the calculation of the $26.53 per month basic residential service charge based on the COSS and the location in the COSS of the amounts used in the calculation.

A-83. Attached is a derivation of the $26.53 per month basic residential service charge from the cost of service study.

Louisville Gas and Electric Company

Unit Fixed Cost of Service Based on the Cost of Service Study
For the 12 Months Ended October 31, 2009

Rate RGS

Description	Reference	Customer Low Pressure Mains Costs	Customer High Pressure Main Costs	Customer Direct Costs	Total Customer Costs	Storage Demand Costs	Storage Compressor Costs	Procurement Costs	Demand Low Pressure Mains Costs	Demand High Pressure Mains Costs	Fixed Costs
(1) Rate Base	Exhibit 29 Page 2	$ 27,164,220	$ 1,827,424	$ 120,381,806	$ 149,373,451	$ 70,979,228	$ 698,437	$ 103,906	$ 112,354,644	$ 24,209,128	$ 357,718,793
(2) Rate Base Adjustments	Exhibit 29 Page 12	(27,961)	(1,881)	(123,912)	(153,754)	(73,061)	(719)	(107)	(115,649)	(24,919)	(368,209)
(3) Rate Base as Adjusted	(1)+(2)	$ 27,136,259	$ 1,825,543	$ 120,257,894	$ 149,219,697	$ 70,906,167	$ 697,718	$ 103,799	$ 112,238,994	$ 24,184,209	$ 357,350,584
(4) Rate of Return	Overall ROR	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%
(5) Return	(3) x (4)	$ 1,851,889	$ 124,583	$ 8,206,891	$ 10,183,363	$ 4,838,927	$ 47,615	$ 7,084	$ 7,659,649	$ 1,650,429	$ 24,387,067
(6) Interest Expenses	Exhibit 29 Page 10	$ 642,372	$ 43,214	$ 2,900,497	$ 3,586,083	$ 777,495	$ -	$ -	$ 2,656,930	$ 669,853	$ 7,690,361
(7) Net Income	(5) - (6)	$ 1,209,518	$ 81,368	$ 5,306,394	$ 6,597,280	$ 4,061,432	$ 47,615	$ 7,084	$ 5,002,718	$ 980,577	$ 16,696,706
(8) Income Taxes	See Note Below	$ 638,726	$ 42,969	$ 2,802,217	$ 3,440,943	$ 2,144,773	$ 25,145	$ 3,741	$ 2,641,850	$ 517,826	$ 8,817,247
(9) Operation and Maintenance Expenses	Exhibit 29 Page 3	$ 2,257,226	$ 151,851	$ 21,436,889	$ 23,845,966	$ 1,912,642	$ 5,312,968	$ 790,407	$ 9,336,172	$ 3,916,373	$ 45,114,530
(10) Depreciation Expenses	Exhibit 29 Page 5	1,006,252	67,694	8,070,282	9,144,228	1,142,375	-	-	4,161,984	1,013,858	15,462,445
(11) Other Taxes	Exhibit 29 Page 9	359,527	24,187	1,623,371	2,007,084	435,154	-	-	1,487,050	374,908	4,304,196
(12) Other Expenses	Exhibit 29 Pages 6,7 & 8	(10,020)	(674)	(48,876)	(59,570)	(12,492)	-	-	(41,443)	(10,720)	(124,225)
(13) Expense Adjustments	Exhibit 29 Page 12	36,347	2,445	345,189	383,981	30,798	85,552	12,728	150,336	63,064	726,460
(14) Total Cost of Service	()+(8)+(9)+(10)+(11)+(12)+(1	$ 6,139,948	$ 413,054	$ 42,435,963	$ 48,945,995	$ 10,492,178	$ 5,471,281	$ 813,959	$ 25,395,598	$ 7,525,738	$ 98,687,718
(15) Less: Misc Revenue	Exhibit 29 Page 11	457,650	30,788	3,163,028	3,651,466	782,050	407,810	60,670	1,892,899	560,942	$ 7,355,837
(16) Net Cost of Service	(14) - (15)	$ 5,682,297	$ 382,266	$ 39,272,934	$ 45,294,529	$ 9,710,128	$ 5,063,471	$ 753,290	$ 23,502,699	$ 6,964,796	$ 91,331,881
(17) Revenue Adjustments	Ex 29 Page 11 & Ex 10 Page	68,263	4,592	471,799	544,138	116,651	60,829	9,050	282,346	83,670	$ 1,097,200
(18) Net Revenue Requirement	(16) + (17)	$ 5,750,561	$ 386,859	$ 39,744,733	$ 45,838,667	$ 9,826,779	$ 5,124,300	$ 762,339	$ 23,785,045	$ 7,048,466	$ 92,429,081
(19) Billing Units (Customer Months)	Exhibit 10 Page 2										3,483,441
(20) Unit Costs	(18) / (19)										$ 26.53

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 84

Responding Witness: William Steven Seelye

Q-84. Provide the calculation of the monthly basic residential service charge if it were based on the customer-related cost for the residential class from the gas COSS. Provide the location in the COSS of the amounts used in the calculation.

A-84. The customer-related cost for the residential class from the gas COSS is $13.80 per customer per month. See attached.

Louisville Gas and Electric Company

Unit Cost of Service Based on the Cost of Service Study
For the 12 Months Ended October 31, 2009

Rate RGS

Description	Reference	Customer Costs: Customer-Related Low Pressure Mains Costs	Customer Costs: Customer-Related High Pressure Main Costs	Customer Costs: Customer-Related Direct Costs	Customer Costs: Total Customer-Related Costs	Storage Demand-Related Costs	Storage Compressor Costs	Other Procurement Costs	Demand Related Low Pressure Mains Costs	Demand Related High Pressure Mains Costs	Total Costs
(1) Rate Base	Exhibit 29 Page 2	$ 27,164,220	$ 1,827,424	$ 120,381,806	$ 149,373,451	$ 70,979,228	$ 698,437	$ 103,906	$ 112,354,644	$ 24,209,128	$ 357,718,793
(2) Rate Base Adjustments	Exhibit 29 Page 12	(27,961)	(1,881)	(123,912)	(153,754)	(73,061)	(719)	(107)	(115,649)	(24,919)	(368,209)
(3) Rate Base as Adjusted	(1)+(2)	$ 27,136,259	$ 1,825,543	$ 120,257,894	$ 149,219,697	$ 70,906,167	$ 697,718	$ 103,799	$ 112,238,994	$ 24,184,209	$ 357,350,584
(4) Rate of Return	Overall ROR	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%	7.95%
(5) Return	(3) x (4)	$ 2,156,765	$ 145,093	$ 9,557,987	$ 11,859,845	$ 5,635,557	$ 55,454	$ 8,250	$ 8,920,653	$ 1,922,139	$ 28,401,898
(6) Interest Expenses	Exhibit 29 Page 10	$ 642,372	$ 43,214	$ 2,900,497	$ 3,586,083	$ 777,495	$ -	$ -	$ 2,656,930	$ 669,853	$ 7,690,361
(7) Net Income	(5) - (6)	$ 1,514,393	$ 101,878	$ 6,657,491	$ 8,273,762	$ 4,858,062	$ 55,454	$ 8,250	$ 6,263,722	$ 1,252,286	$ 20,711,537
(8) Income Taxes	See Note Below	$ 818,528	$ 55,065	$ 3,598,368	$ 4,416,897	$ 2,625,779	$ 29,973	$ 4,459	$ 3,385,537	$ 676,860	$ 11,194,568
(9) Operation and Maintenance Expenses	Exhibit 29 Page 3	$ 2,257,226	$ 151,851	$ 21,436,889	$ 23,845,966	$ 1,912,642	$ 5,312,968	$ 790,407	$ 9,336,172	$ 3,916,373	$ 45,114,530
(10) Depreciation Expenses	Exhibit 29 Page 5	1,006,252	67,694	8,070,282	9,144,228	1,142,375	-	-	4,161,984	1,013,858	15,462,445
(11) Other Taxes	Exhibit 29 Page 9	359,527	24,187	1,623,371	2,007,084	435,154	-	-	1,487,050	374,908	4,304,196
(12) Other Expenses	Exhibit 29 Pages 6,7 & 8	(10,020)	(674)	(48,876)	(59,570)	(12,492)	-	-	(41,443)	(10,720)	(124,225)
(13) Expense Adjustments	Exhibit 29 Page 12	36,347	2,445	345,189	383,981	30,798	85,552	12,728	150,336	63,064	726,460
(14) Total Cost of Service	(4)+(8)+(9)+(10)+(11)+(12	$ 6,624,626	$ 445,660	$ 44,583,210	$ 51,598,431	$ 11,769,813	$ 5,483,948	$ 815,844	$ 27,400,289	$ 7,956,481	$ 105,079,870
(15) Less: Misc Revenue	Exhibit 29 Page 11	434,864	29,255	2,926,604	3,390,723	772,613	359,986	53,555	1,798,654	522,292	$ 6,897,824
(16) Net Cost of Service	(13) - (14)	$ 6,189,761	$ 416,405	$ 41,656,607	$ 48,207,708	$ 10,997,200	$ 5,123,961	$ 762,289	$ 25,601,634	$ 7,434,189	$ 98,182,047
(17) Billing Units	Exhibit 29 Page 14	291,175	291,175	291,175	291,175	8,140,074	20,292,002	20,292,002	15,415,833	15,415,833	
(18) Unit Costs	(15) / (16)	$1.77/Cust/Mo	$0.12/Cust/Mo	$11.92/Cust/Mo	$13.80/Cust/Mo	$1.3510/Mcf	$0.2525/Mcf	$0.0376/Mcf	$1.6607/Mcf	$0.4822/Mcf	

Note: Income Taxes = Income Taxes for the Test Year ($2,622,928) + Income Taxes calculated to yield the Overall Rate of Return of 7.95% ($8,571,640).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 85

Responding Witness: William Steven Seelye

Q-85. Refer to page 7 of the Seelye Testimony. In order to bring the residential electric basic service charge more in line with customer-related cost, LG&E is proposing to increase the charge from $5.00 to $15.00. The COSS indicates residential customer-related costs are $15.80 per month.

a. Explain why LG&E elected to propose an increase of 200 percent, when an increase of 216 percent to $15.80 would have covered all the customer-related costs.

b. With the remaining $.80 under-recovery of customer-related costs through the basic service charge, isn't $3.3 million in fixed operating expenses and margins still being collected through the energy charge, causing an intra-class subsidy?

A-85. a. In developing its proposed basic service charge, the Company relied on the customer-related cost from the cost of service study, but rounded the charge down to the nearest whole dollar. However, the Company would not have an objection to setting the basic service charge at $15.80 so as to reflect the actual cost of service.

b. Yes.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 86

Responding Witness: William Steven Seelye

Q-86. In the response to Item 36 of Staff's Second Request in Case No. 2008-00252, filed September 11, 2008, Mr. Seelye stated that "LG&E's electric customer charges are much lower relative to the actual cost of providing service, which would result in a significant electric rate impact if the cost of service were followed more closely. In developing its proposed electric rates, the Company decided not to decrease its residential energy charges in order to bring the customer charge more closely in line with cost of service." Explain why LG&E is now proposing to pursue a rate design change that it explicitly decided against in the previous case.

A-86. In this proceeding, the Company decided to make greater progress in moving the basic service charge closer to the actual cost of service even though doing so would result in a slightly lower energy charge.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 87

Responding Witness: William Steven Seelye

Q-87. Refer to page 11 of the Seelye Testimony regarding greater electric energy usage of low-income customers. Provide any available studies which would support this observation, including the results of LG&E's 2008 sales data review of low income energy assistance program customers. Include in the response the results if 2009 data were used.

A-87. The customer data analyzed in that proceeding indicated that the average monthly electric usage for low income energy assistance program customers was 1,084 kWh per month, compared to 1,066 kWh per month for the average residential customer. The analysis also indicated that the average monthly gas usage for low income energy assistance program customers was 6.6 Mcf per month, compared to 5.9 Mcf for the average residential customer. A similar analysis has not been performed based on test period data for this rate case; however, it is unlikely that the results would have changed significantly during the short period since LG&E's last rate case.

It should also be mentioned that in testimony submitted in Case No. 2008-00252, the witness for the Association of Community Ministries, Marlon Cummings indicated that the data provided by the Company was consistent with his own experiences working with low-income customers. Mr. Cummings stated that, "Due to the fact that most low income residents rent or own housing with inadequate insulation and or heating apparatus the cost of low income household utilities is above the level of other utility users." (Case No. 2008-00252, Direct Testimony of Marlon Cummings at p. 6, lines 18-20).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 88

Responding Witness: Butch Cockerill/William Steven Seelye

Q-88. Aside from removing any disincentive that may exist for LG&E to promote DSM, energy efficiency, and energy conservation, how do a higher basic service charge and a lower energy charge encourage conservation on the part of customers?

A-88. As suggested by the question, the principal benefit in terms of promoting DSM, energy efficiency and energy conservation is that collecting more fixed costs through the basic service charge removes disincentives for the Company to promote these efforts. With fixed costs recovered through a volumetric charge, the Company is adversely affected whenever customers reduce their energy requirements. With more costs recovered through a fixed monthly charge, LG&E will be less reluctant to support efforts that would otherwise lower its margins and its ability to recover its costs. It is also important to note that approximately 60% to 80% of the total residential gas bill consists of gas supply costs, and those costs will vary directly with the amount of gas used by customers. Therefore, customers will still have a strong incentive to reduce their consumption.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 89

Responding Witness: William Steven Seelye

Q-89. Refer to page 12 of the Seelye testimony, line 14, which references other forms of decoupling. Did LG&E consider proposing any other forms of decoupling for its gas or electric rates? If so, what were they and why were they rejected in favor of SFV?

A-89. No. SFV is administratively easier to implement than other forms of decoupling and still achieves the same objectives.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 90

Responding Witness: Butch Cockerill/ William Steven Seelye

Q-90. Pages 12 and 13 of the Seelye testimony discuss the stabilizing effect of higher basic service charges on customer bills.

a. Explain whether the Budget Payment Plan achieves the same stabilizing effect on customer bills.

b. How many LG&E gas and electric customers use the Budget Payment Plan?

c. How does LG&E promote its Budget Payment Plan to customers?

A-90. a. No. The Budget Payment Plan certainly achieves a stabilizing effect on customer bills. However, the implementation of a straight fixed variable rate design will cause customer bills under the Budget Billing Plan to be even more stable. Without the implementation of a straight fixed variable rate design, a portion of the Company's distribution delivery costs will continue to be billed on a volumetric basis. Therefore, even if a customer chooses a Budget Payment Plan, the amounts paid by customers under the current rate design will be subject to greater volatility than the combination of a straight-fixed variable rate design and the use of the Budget Payment Plan. With a straight fixed variable rate design, the customers will pay a fixed charge for gas delivery service which will in no way be affected by the amount of gas consumed by the customer.

Even with a Budget Payment Plan *and* the adoption of straight fixed variable rates there will still be some volatility in customer bills because the natural gas commodity will continue to be billed on a volumetric basis. For example, if temperatures are colder than normal during a particular winter, it is likely that the payments under a Budget Payment Plan would be subsequently adjusted to account for the higher gas costs realized during that winter. However, the use of the Budget Payment Plan and the adoption of straight fixed variable rates will both have an effect of reducing the volatility in customer bills. In other words, the adoption of a straight fixed variable rate design will result in even greater stabilization of customer bills.

b. As of October 31, 2009 there were 49,266 participants in the Budget Payment Plan.

c. LG&E promotes its Budget Payment Plan through:

- Articles in monthly residential customer newsletter, mailed with customers' bills;
- Bill inserts, mailed periodically to customers along with their bill;
- Brochures and signage in LG&E's customer service walk-in center;
- Bill messages printed directly on customers' bills, including a check-box on the back of the customer's payment stub allowing customers to enroll;
- Media relations, especially as part of winter and summer messages about how to manage higher bills due to increased usage.
- Promote budget payment plan through customer service representatives.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 91

Responding Witness: William Steven Seelye

Q-91. At the end of the test year, how many of LG&E's gas residential customers did not use natural gas for space heating purposes? Provide the average monthly usage of LG&E's non-space-heating residential customers that are billed for gas service.

A-91. According to LG&E's most recent residential appliance survey, approximately 85% of LG&E's single family residential customers heat their homes with natural gas. However, LG&E does not have records to indicate whether individual gas customers use natural gas service for space heating or for other uses, such as food preparation, water heating, gas logs, or decorative lighting/outdoor uses. Therefore, LG&E cannot provide the requested average monthly usage information.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 92

Responding Witness: William Steven Seelye

Q-92. Has LG&E performed any kind of sensitivity analysis to determine the customer charge level that would result in fuel-switching by (1) non-space-heating gas residential and (2) gas space-heating residential customers? If yes, provide the results of the analysis.

A-92. No.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 93

Responding Witness: William Steven Seelye

Q-93. Refer to pages 13-15 of the Seelye Testimony regarding the proposal to bill primary voltage customers on a kVA basis rather than a kW basis. Mr. Seelye states that billing on a kVA basis "avoids the necessity of including a power factor adjustment charge as a separate component of the rate." Does this statement mean that, absent any other change for these customers, the net effect of the kVA billing change on the customer's bill would be zero? If no, explain.

A-93. No. Mr. Seelye's statement means that the implementation of kVA eliminates the need to have a power factor adjustment as a component of the rate. The impact on a customer's bill will depend on the customer's load factor at the time when the customer's billing demand is measured. If a customer has a power factor that is lower than the average for the class (i.e., further away from unity power factor), then, with everything else being equal, the customer will see a relatively *larger* increase as a result of being billed on a kVA basis. Conversely, if a customer has a power factor that is higher than the average for the class (i.e., closer to unity power factor), then, with everything else being equal, the customer will see a relatively *smaller* increase as a result of being billed on a kVA basis. For the class as a whole, billing on a kVA basis does not affect the amount of revenue that would be collected during the test year; but the impact will vary from customer to customer, based on the individual customer's maximum demand power factor.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 94

Responding Witness: William Steven Seelye

Q-94. Refer to pages 16 and 17 of the Seelye Testimony which discusses the month of May as having load patterns more characteristic of a summer month. Provide details of monthly load patterns sufficient to show that May has a summer rather than winter load pattern.

A-94. Please reference Seelye Exhibit 3, pages 1-15. As can be seen on pages 4 through 7 and pages 14 through 15 of Seelye Exhibit 3, the winter months of November through April exhibit a "double humped" pattern with a prominent morning peak and sometimes less prominent evening peak. As can be seen on pages 8 through 12, the summer months of May through September exhibit a "single humped" pattern with a single prominent peak occurring in the late afternoon and evening hours.

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CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 95

Responding Witness: William Steven Seelye

Q-95. Refer to page 20 of the Seelye Testimony. Mr. Seelye states that the peak and intermediate periods were determined using 2008 data. Explain why 2009 data was not used.

A-95. Load data for 2008 was compiled in support of a proposed time-of-day rate filed in a Virginia proceeding. Because of the highly unusual weather patterns during 2009, it was decided not to update the load study that was performed for the Virginia application, which represented more typical weather patterns, particularly during the summer months.

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CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 96

Responding Witness: William Steven Seelye

Q-96. Refer to the Seelye Testimony at page 21. Mr. Seelye states that "[w]hen the time-differentiated unit charges for the proposed LEV rate are applied to estimated time-differentiated billing units for RS, the revenues are approximately equal to total RS revenues." Explain how the estimated time-differentiated billing units for RS were determined.

A-96. The time-differentiated billing units were developed from hourly load research data for Rate RS.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 97

Responding Witness: Lonnie E. Bellar

Q-97. Beginning at page 21, the Seelye Testimony discusses the proposed changes to the curtailable service riders. State whether LG&E has discussed the proposed changes with those customers. If so, provide the customers' responses.

A-97. LG&E did not discuss with customers the proposed changes to the curtailable service riders prior to the filing of the Application. The Company routinely has discussions about service, billing, tariffs and other topics related to providing service to their facilities. Since the filing of the Application discussions about various aspects of the filing as it relates to service to the customer's facilities have occurred.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 98

Responding Witness: William Steven Seelye

Q-98. Refer to the Seelye Testimony at page 35. Mr. Seelye states that LG&E is not proposing to increase the charges for mercury vapor and incandescent lights because these lights have been restricted for a number of years and are not being replaced. Explain why the fact that these lights are not being replaced affects the cost to serve these fixtures and thus the rate charged.

A-98. The Company has not been replacing these lights for a number of years. Although the Company did not perform an individual cost of service study on each type of light, because of the age of these lights it is anticipated that they would be largely if not fully depreciated. Consequently, the Company did not believe that it would be appropriate to apply the same percentage increase to mercury vapor and incandescent lights as other types of lights, which continue to be installed and which are subject to replacement in the event that they fail.

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CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 99

Responding Witnesses: J. Clay Murphy/ William Steven Seelye

Q-99. Refer to page 38 of the Seelye Testimony. How many industrial customers are realistically subject to physical bypass of LG&E's system? How many of those customers threatened bypass during the test year?

A-99. At least five customers have threatened bypass of the LG&E gas delivery system and therefore are realistically subject to physical bypass. However, any customer may be capable of physically bypassing LG&E's gas system to seek service directly from an interstate pipeline. This is particularly true for large industrial (as well as commercial) customers. LG&E is cognizant of this fact when proposing increases to rates such as Rate IGS, Rate FT, or special contracts. As the rates charged by the gas distribution company increase, the economic benefits a customer can achieve from bypassing improves, thus increasing the potential for the gas distribution company to lose that customer and its contribution to fixed costs.

No customers have threatened bypass during the test year. In the case of certain customers served under special contracts, the ability of that customer to bypass was considered in developing the special contract which occurred outside the test year.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 100

Responding Witness: Butch Cockerill

Q-100. Refer to page 43 of the Seelye Testimony. In what way(s) does LG&E envision being "even more proactive" in promoting natural gas conservation if the proposed SFV rate design is approved?

A-100. LG&E will continue to educate and support efforts through its Demand Side Management (DSM) programs to encourage customers to conserve energy. These programs offer customers opportunities to improve the quality and efficiency of their homes and businesses through its Residential and Commercial Energy Audits, Residential and Commercial HVAC Diagnostic and Tune-Ups, and New Residential Construction programs. The Company will continue to publicly promote energy conservation through the Customer Education and Public Information program which is a part of the Company's DSM portfolio.

Because SFV rate design severs the connection between residential consumption and profitability by eliminating the distribution charge in favor of cost recovery through a single basic service charge, gas distribution companies such as LG&E will no longer be dis-incented from promoting reduced residential gas consumption. Breaking the connection between profitability and throughput for residential customers may enable LG&E to create new programs more focused on gas customers as well as fine tuning some of the above programs which are jointly focused on both gas and electric consumption.

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CASE NO. 2009-00549

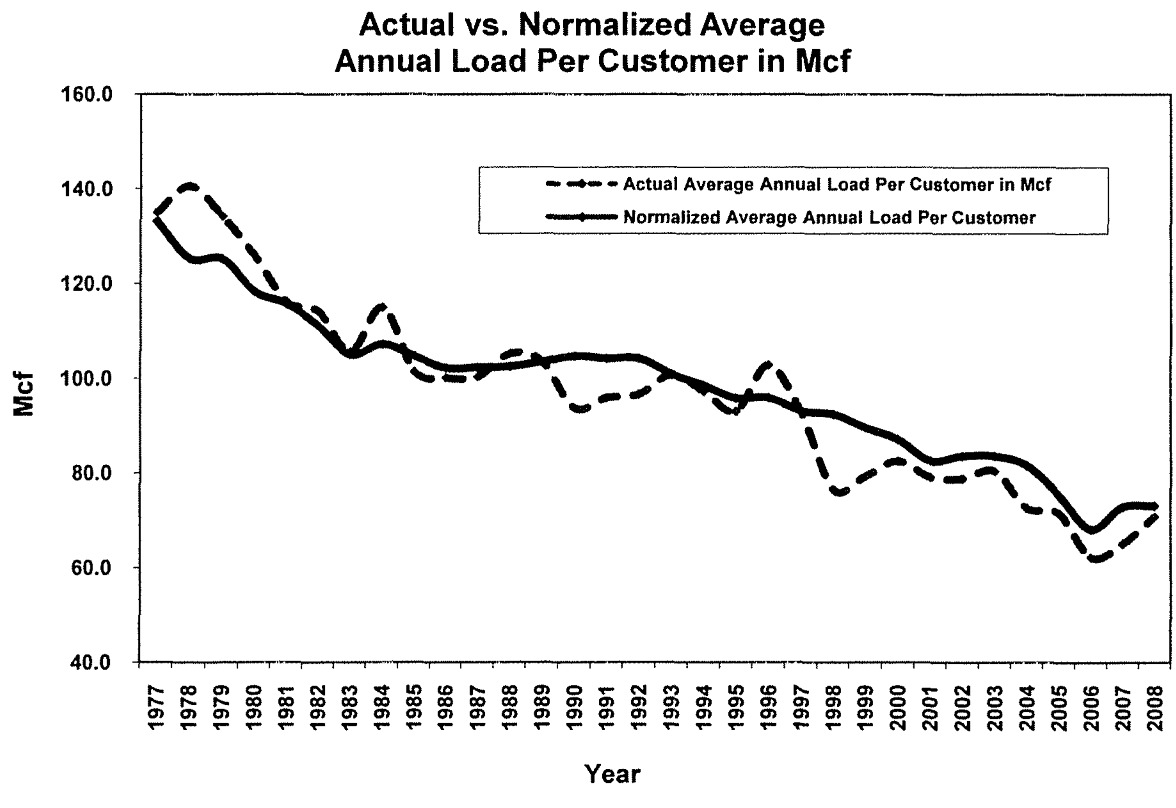
Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 101

Responding Witness: William Steven Seelye

Q-101. Refer to page 45 of the Seelye Testimony. If customers respond more to the level of bills than to each component of the rate, what effect will lower gas commodity prices have on the customers' incentive to conserve, and how would a distribution charge consisting only of the gas component provide sufficient incentive for customers to conserve?

A-101. Large changes in the commodity price of natural gas will certainly have an effect on consumer purchasing behavior. This effect can be seen in the graph that appears on page 48 of Mr. Seelye's testimony, and reproduced below:



During the 2005/2006 Winter, a significant dip can be seen in the normalized average annual load per residential customer. This dip corresponds to a significant increase in gas prices that occurred subsequent to Hurricane Katrina and Hurricane Rita. During this period the price of natural gas essentially doubled. As a result, there was a dip in natural gas consumption on the part of residential customers. That use rebounded to some extent after natural gas prices became more stable. However, there is little evidence to suggest that reductions to natural gas prices will counteract the downward trend in average residential natural gas consumption. The downward trend seen in the graph is evidence of improved efficiency in residential appliance stocks – a trend that is not reversible and is expected to continue.

Customers are less aware of the impact on the price of natural gas in the market than they are on the actual impact that they see on their bills. Under a straight fixed variable rate design, customers will continue to be billed for fixed distribution costs, on a non-volumetric basis, and for most customers the amount billed will not vary significantly. Depending on the price of the commodity, purchased gas costs will represent anywhere from 60 to 80 percent of the customer's bill. As a result, customers will continue to have a strong incentive to reduce their consumption of natural gas in order to avoid paying these costs.

It is important to keep in mind that when customers reduce their natural gas consumption the Company avoids the cost of buying natural gas from its suppliers. Therefore, when customers reduce their gas consumption the reduction in the commodity component of their bill (i.e., amount billed through the application of the Gas Supply Component) is matched by a corresponding reduction in the amount of natural gas that the Company buys from its suppliers. Thus, conservation results in gas supply costs that can be avoided by the Company. But with a distribution charge assessed on a volumetric basis, when customers reduce their natural gas consumption there is no corresponding reduction in the Company's fixed costs. For example, the costs associated with distribution mains do not go away simply because customers conserve natural gas. What happens is that the Company fails to recover its costs when customers use less natural gas. When fixed distribution costs are recovered through a volumetric charge, customers are given an artificial price signal – a false price signal – that reductions in their usage will result in a corresponding reduction in the Company's fixed costs.

It is highly questionable whether it makes sound economic sense to recover fixed costs through a volumetric charge (or variable charge) in order to provide customers an artificial inducement to get them to conserve. Any incentive that pricing fixed costs on the basis of a volumetric charge might have on getting customers to conserve – which, in the range that we would be dealing with, would likely be ineffective anyway – comes at a very high price. Recovering fixed costs through a volumetric charge makes the utility less than enthusiastic about embracing conservation and less likely to develop programs to encourage conservation. Recovering fixed costs through a volumetric charge sends a distorted price signal to customers, making them believe that they are avoiding more costs than are actually being avoided, and it prevents the utility from being able to recover its fixed costs thus causing its earnings to deteriorate.

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Dated March 1, 2010

Question No. 102

Responding Witness: William Steven Seelye

Q-102. Refer to page 55 of the Seelye Testimony. Identify the companies that have cable attachments on LG&E's poles.

A-102. The companies that have cable attachments on LG&E's poles are as follows:

Insight Communications
Inside Connect Cable LLC

LOUISVILLE GAS AND ELECTRIC COMPANY

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Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 103

Responding Witness: William Steven Seelye

Q-103. Refer to page 57 of the Seelye Testimony in which Mr. Seelye discusses the calculation of the Excess Facilities charges.

a. Mr. Seelye states a cost of capital and discount rate of 8.32 percent, which is the cost of capital proposed in this case. Explain whether LG&E intends to update the Excess Facilities charges if a different cost of capital is approved.

b. Provide the calculation of the currently approved Excess Facilities charges in the same format as Seelye Exhibit 12.

A-103. a. Yes.

b. Because the calculation of the currently approved Excess Facilities charges were determined using a different methodology, they cannot be provided in the exact same format as Seelye Exhibit 12. Attached is the exhibit filed with the Commission in Case No. 2003-00433 in support of the current Excess Facilities charges that were approved in that proceeding.

Louisville Gas and Electric Company
Excess Facilities Charge
12 Months September 30, 2003

	DISTRIBUTION		
	Total	Carrying Costs	Operating Expenses
Accounting Approach			
Return on Capitalization	7.12%	7.12%	
Expense Components			
Operating	2.12%		2.12%
Maintenance	1.65%		1.65%
Depreciation (based on revised rates)	3.65%		3.65%
Insurance	0.24%		0.24%
Taxes Other Than Income Taxes	0.50%		0.50%
Income Taxes @ 40.36%	4.06%	4.06%	
Total by Component	19.34%	11.18%	8.16%
Total			19.34%
Monthly Charge	1.61%	0.93%	0.68%

Louisville Gas and Electric Company
Cost of Capital
12 Months September 30, 2003

Description	Capitalization	Percentage of Capitalization	Cost Rate	Composite Cost of Capital
Long-Term Debt	$605,310,657	40.74%	3.77%	1.54%
Short-Term Debt	$113,761,596	7.66%	1.22%	0.09%
Preferred Stock	$53,433,443	3.60%	2.51%	0.09%
Common Equity	$713,195,661	48.00%	11.25%	5.40%
Total Capitalization	$1,485,701,357	100.00%		7.12%

Louisville Gas and Electric Company
Components of Excess Facilities Charge
Expenses
12 Months September 30, 2003

Investment (1)	Jan. 1, 2002	Dec. 31, 2002	Average
Plant in Service			
Distribution Plant	$624,790,062	$655,708,234	$640,249,148
Transmisison Plant	$203,259,419	$213,912,790	$208,586,105
Distribution & Transmission Plant	$828,049,481	$869,621,024	$848,835,253
Total Plant	$2,597,455,346	$2,716,490,632	$2,656,972,989

Expenses	Distribution
Operating (2)	$13,598,861 2.12%
Maintenance (2)	$10,541,266 1.65%
Insurance (4)	$6,340,506 0.24%
Other Taxes (5)	$13,397,262 0.50%

(1) LG&E FORM 1 P. 206 & 207

(2) LG&E FORM 1 P. 321 & 322 .

(3) FERC FORM 1 PAGE 336

(4) Accounts 924, 92501, 92502, 92503)

(5) LG&E FORM 1 P. 262 & 263 OR P. 115 TOTAL OTHER TX

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 104

Responding Witness: William Steven Seelye

Q-104. Refer to the Seelye Testimony, page 75, which describes how annual non-temperature-sensitive and temperature-sensitive volumes are determined for each rate class. Gas deliveries for July and August for each class were multiplied by six in order to establish non-temperature-sensitive volumes.

a. According to LG&E's response to Item 48, page 2 of 2, of Staff's First Request, July had the fewest customers of any month in the test year and August had the third fewest customers for total ultimate consumers. Explain why it is appropriate to use months with relatively few customers to establish non-temperature-sensitive volumes, and if the number of customers served under the Firm Industrial Gas Service ("IGS"), As-Available Gas Service ("AAGS"), and Firm Transportation Service ("FT") rate classes and special contract customers is stable enough to provide a reliable non-heating load for these customer classes.

b. Explain why it would not be more appropriate to establish non-temperature-sensitive volumes by calculating average base load usage per customer for July and August and multiplying by the number of bills for the test year.

c. Provide the Mcf volume used for each of the IGS, AAGS, and FT customer classes as well as for each special contract customer individually, by month for the test year.

d. Explain why it is appropriate to temperature normalize IGS customer volumes, when this service is only available for customers engaged in manufacturing activities.

A-104. a. July and August are the two months that consistently have the fewest number of heating degree days. Consequently, these two months are the months most suitable for use as base load months. Furthermore, this approach has been used for many years.

b. The Company believes that it is important to maintain continuity in the methodology used to normalize revenues for temperature. The approach proposed by the Company has been used for many years. Otherwise, the Company does not believe that the suggested approach would be unreasonable as long as the approach is used consistently.

c. See attached.

d. The usage patterns for IGS now suggest that this rate class is using significant amounts of gas for space heating and is temperature sensitive, but not to the extent of RGS.

Louisville Gas and Electric Company
Case No. 2009-00549
Monthly MCF Usage for Certain Customer Classes

	Customer Classes					Special Contracts			
Month	IGS	TS-IGS	AAGS	FT	FT-Cashouts	1	2	3	4
Nov-08	83,943.7	3,619.2	24,242.5	709,737.9	9,297.6	29,268.1	81,119.1	41,918.2	184,028.4
Dec-08	128,942.5	2,915.9	36,443.6	806,703.0	759.9	38,527.6	122,342.0	34,062.0	183,508.0
Jan-09	151,422.8	2,961.6	43,959.6	850,144.5	6,023.1	54,251.9	138,160.7	67,960.2	295,425.5
Feb-09	144,558.1	3,116.4	45,931.3	713,504.5	7,098.2	31,826.1	94,146.0	53,229.2	249,380.0
Mar-09	103,425.8	2,457.0	27,257.8	702,174.0	-	28,992.4	63,654.1	28,020.0	182,666.1
Apr-09	68,705.0	5,749.4	19,219.4	524,794.6	-	32,405.5	31,922.3	42,080.4	118,725.7
May-09	60,169.3	6,570.3	17,424.7	471,276.3	-	46,258.1	10,860.5	39,950.9	83,071.6
Jun-09	52,549.3	5,655.0	18,181.3	510,361.1	2,340.1	39,002.6	6,513.9	28,250.3	73,955.1
Jul-09	24,829.0	5,882.5	15,058.1	539,110.6	1,914.3	36,618.3	5,652.0	44,488.0	44,777.3
Aug-09	37,772.9	6,520.0	12,314.5	530,713.8	64.1	38,678.5	4,605.4	48,942.5	74,043.8
Sep-09	33,008.1	6,672.0	10,315.4	575,937.5	565.6	41,300.1	3,721.0	37,804.0	81,695.3
Oct-09	48,547.0	5,521.0	21,634.3	655,544.4	759.5	34,957.7	28,663.0	45,864.6	139,111.3

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 105

Responding Witness: William Steven Seelye

Q-105. Refer to Seelye Exhibit 19, page 2. Special Contract customers E.I. DuPont and LG&E (Paddy's) have negative temperature-sensitive volumes calculated in column 4. Explain why it is appropriate to temperature-normalize these customers and if the results in column 4 indicate that their usage is not temperature-sensitive.

A-105. E.I. DuPont and LG&E (Paddy's) should not have been subject to normalization and should have been excluded. However, because of the changing nature of E.I. DuPont's load, it is possible that it could be included for purposes of temperature normalization in the future.

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Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 106

Responding Witness: William Steven Seelye

Q-106. Refer to Seelye Exhibit 19, page 4. Explain why Rate RGS has a positive total dollar adjustment and a negative Mcf adjustment.

A-106. The settlement of the 2008 rate case resulted in the residential gas distribution rate changing from $0.15470 per Ccf to $0.21349 per Ccf. Since this change was made in February 2009, the much warmer than normal weather in the months of March and April generated disproportionately more WNA revenue than the reduction in WNA revenue resulting from the colder than normal weather in the months of December and January. If rates had been constant throughout the entire six month period the WNA revenue would have been a negative $95,210 (i.e. -615,451 Ccf x $0.15470).

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Dated March 1, 2010

Question No. 107

Responding Witness: William Steven Seelye

Q-107. Refer to Seelye Exhibit 19, page 3. Explain the calculation of the Rate RGS and CGS net revenue adjustments.

A-107. The purpose of the adjustment is to adjust *out* the impact of the actual billed WNA revenue for the 6 month period and to adjust *back in* the impact of the temperature normalization for a full year. This is performed by calculating the relationship between (i) the difference between actual and normal degree days for the 12 month period, and (ii) the difference between the actual and normal degree days for the six month period. This relationship (1.0471) is then used to factor up the Mcf adjustment for the 6 month period to reflect the adjustment for the 12 month period. The net adjustment reflects the difference between the 12-month adjustment and the 6-month adjustment actually billed to customers under the application of the WNA.

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Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 108

Responding Witness: William Steven Seelye

Q-108. Seelye Exhibit 22 provides the application of the modified Base-Intermediate-Peak methodology which is based on combined system results for LG&E and KU. Provide the information presented in Seelye Exhibit 22 for the LG&E and KU systems individually.

A-108. See attached.

Kentucky Utilities Company
Assignment of Production and Transmission Demand-Related Costs
Based on the 12 Months Ended October 31, 2009

Combined System Demands

Minimum System Demand	1,415
Winter System Peak Demand	4,640
Summer System Peak Demand	3,888

Assignment of Production and Transmission
Demand-Related Costs to the Costing Periods

Non-Time-Differentiated Capacity Costs

1. Minimum System Demand	1,415	
2. Maximum System Demand	6,555	
3. Non-Time-Differentiated Capacity Factor (Line 1/Line 2)	0.2159	
4. Non-Time-Differentiated Cost (Line 3)		21.59%

Summer Peak Period Costs

5. Maximum Summer System Demand	3,888	
6. Intermediate Peak Period Capacity Factor (Line 5/Line2 - Line 3)	0.3773	
7. Winter Peak Period Hours	2,416	
8. Summer Peak Period Hours	1,308	
9. Total Summer and Winter Peak Period Hours (Line 7 + Line 8)	3,724	
10. Summer Peak Period Costs (Line 7/Line 9 x Line 6)		13.25%

Winter Peak Period Costs

11. Peak Capacity Factor (1.0000 - Line 3 - Line 6)	0.4069	
12. Winter Peak Period Costs (Line 11 + Line 8/Line 9 x Line 6)		65.16%

Louisville Gas and Electric Company
Assignment of Production and Transmission Demand-Related Costs
Based on the 12 Months Ended October 31, 2009

Minimum System Demand	860
Winter System Peak Demand	1,923
Summer System Peak Demand	2,524

Assignment of Production and Transmission
Demand-Related Costs to the Costing Periods

Non-Time-Differentiated Capacity Costs

1. Minimum System Demand	860	
2. Maximum System Demand	2,524	
3. Non-Time-Differentiated Capacity Factor (Line 1/Line 2)	0.3407	
4. Non-Time-Differentiated Cost (Line 3)		34.07%

Winter Peak Period Costs

5. Maximum Winter System Demand	1,923	
6. Intermediate Peak Period Capacity Factor (Line 5/Line2 - Line 3)	0.4212	
7. Winter Peak Period Hours	2,416	
8. Summer Peak Period Hours	1,308	
9. Total Summer and Winter Peak Period Hours (Line 7 + Line 8)	3,724	
10. Winter Peak Period Costs (Line 7/Line 9 x Line 6)		27.32%

Summer Peak Period Costs

11. Peak Capacity Factor (1.0000 - Line 3 - Line 6)	0.2381	
12. Summer Peak Period Costs (Line 11 + Line 8/Line 9 x Line 6)		38.60%

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 109

Responding Witness: William Steven Seelye

Q-109. On page 83 of the Seelye Testimony, a reference is made to an unusual weather pattern in the test year which caused the maximum system demand to occur during a winter month. Provide monthly temperature/weather information for the test year sufficient to support the use of a winter peak for LG&E.

A-109. By itself, LG&E's system peak still occurs during the summer, and during most years the peak for the LG&E and KU combined system occurs during a summer month. Because LG&E and KU's generation assets are jointly planned and jointly operated, fixed production costs are time differentiated in the cost of service study on a combined LG&E and KU basis.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 110

Responding Witness: William Steven Seelye

Q-110. Explain whether LG&E's electric heating load has increased to the point that using a winter month to establish maximum system demand is reasonable.

A-110. LG&E electric heating load has not increased to the point that LG&E is now a winter peaking utility, but because production resources are jointly planned and jointly operated by the two utilities it is appropriate to use the combined LG&E and KU system peak for applying the BIP methodology.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 111

Responding Witness: William Steven Seelye

Q-111. Refer to Seelye Exhibit 3. Page 1 of this exhibit includes the month of May as a non-summer month. Likewise, on page 3, the month of May is not included in the summer months. However, Mr. Seelye states in his testimony at pages 16 and 17 that May has a summer load pattern. Explain why May is included in this exhibit as a non-summer month.

A-111. Exhibit 3 reflected the *current* designation of May as a non-summer month, as set forth in the Company's time-of-day tariffs. As explained in response to Question No. 94, the load pattern for May is more representative of a summer pattern. It would have been appropriate to designate May as a summer month in Seelye Exhibit 3.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 112

Responding Witness: William Steven Seelye

Q-112. Refer to page 83 of the Seelye Testimony. Mr. Seelye states that "the decision was made to use actual hourly system loads in the cost of service study rather than engaging is (sic) the complicated process of normalizing peak demands." Explain how this differs from the COSS in LG&E's most recent rate case, Case No. 2008-00252.

A-112. It does not differ. Actual hourly system loads were used in both the current cost of service study and in the cost of service study submitted in Case No. 2008-00252.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 113

Responding Witness: William Steven Seelye

Q-113. Refer to page 86 of the Seelye testimony. Mr. Seelye states that allocation factors YECust05 and YECust06 were used to allocate meter reading, billing costs, and customer service expenses on the basis of a customer weighting factor based on discussions with LG&E's meter reading, billing and customer service departments.

a. Explain how these discussions were used to determine the allocation factors.

b. Provide examples of questions asked and how the answers were used to calculate the factors.

A-113. a. The weighting factors were developed in LG&E's last rate case and were not modified for the cost of service study filed in this proceeding. In developing these weighting factors, Mr. Seelye asked management personnel responsible for meter reading, billing and customer service functions to provide a set of weighting factors that, based on their experience would be representative of the relative cost of performing these functions for customers served under each rate schedule.

b. Mr. Seelye asked the managers to provide a scaling factor for each rate schedule, with the residential class being equal to one, which could be used to scale up the cost of providing meter reading, billing and customer service for other classes. In other words, they were asked to provide an estimate of how much more would it cost to perform meter reading, billing and other customer service functions for a customer in non-residential rate classes as a multiple of the cost of providing these same services for a residential customer.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 114

Responding Witness: William Steven Seelye

Q-114. Refer to Seelye Exhibit 4.

a. Explain how the estimated investment per units was determined.

b. Explain how the levelized fixed charge of 17.52 percent was calculated.

c. Explain how the operation and maintenance amounts were determined.

A-114. a. The estimated investment per units was developed based on the current purchased cost of the lighting equipment plus the estimated cost of installing the fixtures.

b. The fixed charge rate is determined by calculating capital recovery factor that includes cost of capital, depreciation over a 26 year estimated life, income taxes, and property taxes.

c. The operation and maintenance amounts are based on the cost of one bulb, one photocell, a 2-person crew working for one hour, one time every six years.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 115

Responding Witness: William Steven Seelye

Q-115. Refer to Seelye Exhibits 6 and 9. Explain why the Summary of Gas Revenue Increase exhibit does not include revenue items similar to those included at the end of the "Revenue Adjusted to As Billed Basis" column (Other Miscellaneous Revenue, Rents, etc.) in the Summary of Electric Revenue Increase exhibit.

A-115. LG&E is not proposing any increases to miscellaneous gas revenues in this proceeding, other than for Intra-Company Sales, which is included in the analysis. Additionally, there will be certain stylistic differences between the exhibits because Mr. Seelye received assistance from a number of analysts in preparing his testimony and exhibits.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 116

Responding Witness: William Steven Seelye

Q-116. Explain the disparity between the Total Sales to Ultimate Consumers and Inter-Company Base Rate Revenue of $116,181,488 on Seelye Exhibit 9 and the sales and transportation portion of Adjusted Gas Revenues of $119,174,562 on page 3 of 10 of Tab 42 of Volume 3 of 5.

A-116. Base Rate Revenue as shown on Seelye Exhibit 9 referenced in the question is before three revenue adjustments that are included in the sales and transportation portion of Adjusted Gas Revenues shown on page 3 of 10 of Tab 42 of Volume 3 of 5. Thus, the comparable revenue from Seelye Exhibit 9 is Base Rate Revenue As Adjusted of $118,447,767. The reconciliation is as follows:

	Tab 42 – Vol. 3 of 5 page 3 of 10	Seelye Exhibit 9 page 1 of 1
Total Gas Revenue	$119,174,562	$118,447,767
Less:		
WNA Revenues	(82,307)	
Late Payment Charges	(3,212,301)	
Misc Service Revenue	(13,787)	
Rent from Elec/Gas Property	(408,087)	
Other Gas Revenue	(21,851)	
Correction - Special Contract Intra-Company Transportation		(3,054,489)
Correction - Weather Normalization Adjustment		41,058
Unreconciled Balance		1,893
Total - Reconciliation	$115,436,229	$115,436,229

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 117

Responding Witness: William Steven Seelye

Q-117. Refer to Seelye Exhibit 7. Provide an explanation for the revenues attributed to "Minimum Energy" and calculations used to derive the current and proposed dollar amounts for each customer class.

A-117. "Minimum Energy" is a term used to refer to aggregated kWh and revenues from out-of-period adjustments and part-month bills. It also includes the difference between actual kWh sales revenues and regenerated revenues. Therefore the "Minimum Energy" kWh are actual but the associated current "Minimum Energy" revenues are determined by the difference in actual current total revenues and regenerated total current revenues. Proposed "Minimum Energy" revenues are calculated using a ratio of current demand and energy revenues to proposed demand and energy revenues. These calculations are performed on Seelye Exhibit 7.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 118

Responding Witness: William Steven Seelye

Q-118. Refer to Seelye Exhibit 10, page 6 of 7. Clarify whether LG&E is proposing to decrease the Demand Charge for Intra-Company Special Contract – Rate FT Customer to $2.00 from $2.43.

A-118. LG&E is not proposing to decrease the Demand Charge for the Intra-Company Special Contract from $2.43 to 2.00. In the spreadsheet, $2.43 is actually used, but the decimal places were not shown when printed.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 119

Responding Witness: William Steven Seelye

Q-119. Refer to Seelye Exhibit 11.

a. Refer to page 1 of 3. State whether the installed costs shown on this schedule are gross or net investment costs. If gross costs, explain why net costs were not used.

b. Refer to page 2 of 3. A rate of return of 8.32 percent was used in the calculation. Explain whether LG&E intends to update the charges if a different cost of capital is approved.

A-119. a. The installed costs represent gross investment costs. For this reason, a levelized (as opposed to a non-levelized) charge was utilized to calculate monthly carrying costs. When gross plant is utilized in a fixed carrying charge calculation, it is appropriate to use a levelized carrying charge; but when net plant is utilized, then it is appropriate to use a non-levelized carrying charge.

b. It would be appropriate to update the carrying charge rate if a different cost of capital is approved.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 120

Responding Witness: William Steven Seelye

Q-120. Refer to Seelye Exhibit 22.

a. Explain how the minimum system demand figure was calculated or whether it is simply the low point on the system load curve.

b. Explain how the winter and summer peak hours are calculated.

A-120. a. It is the minimum value on the system load curve for the test year.

b. For the BIP calculation, the peak hours were calculated by counting the number of winter and summer peak hours during the test year, with the summer peak hours spanning the period from 10 A.M. to 10 P.M and the winter peak hours spanning the period from 6 A.M. to 10 P. M. each weekday.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 121

Responding Witness: William Steven Seelye

Q-121. Refer to Seelye Exhibit 23.

a. Refer to page 16 of 45. Explain the functional vectors P362, P365, P367, P368, P370, and P373.

b. Refer to pages 43-45. Explain and define the functional vectors PROFIX and PROVAR.

A-121. a. In general, the column labeled "Functional Vector" refers to a vector used to functionally assign (or allocate) the amount shown under "Total System". The vector used as an allocator can be located by finding the Functional Vector in the column labeled "Name".

In the case of expenses for Account 581 - Load Dispatching, the Functional Vector P362 is used to assign test year expenses to the functional groups. P362 represents total plant in service accounts 360-362 and can be found on page 1 of Seelye Exhibit 23. This means that Expense Account 581 - Load Dispatching is functionally assigned on the same basis as Plant Accounts 360-362.

P365 refers to Plant Accounts 364 and 365. P367 refers to Plant Accounts 366 and 367. P368 refers to Plant Account 368 - Transformers. P370 refers to Plant Account 370 - Meters. P373 refers to Plant Account 373 - Street Lighting. All of these plant vectors can be located on page 1 of Seelye Exhibit 23.

b. PROFIX is used to classify production operation and maintenance expenses as fixed (demand-related), and PROVAR is used to classify production operation and maintenance expenses as variable (energy). As in its prior cost of service studies, the Company classified production operation and maintenance expenses as fixed and variable using the FERC predominance methodology. Under the FERC predominance methodology, production operation and maintenance accounts that are predominately fixed, i.e., expenses that the FERC has determined to be predominately incurred independently of kilowatt hour levels of output are classified as demand-related. Production operation and maintenance accounts that are predominately variable, i.e., expenses that the FERC has determined to vary predominately with output (kWh) are considered to be energy related. The predominance methodology has been accepted in FERC proceedings for approximately 30 years and is a standard methodology for classifying production operation and maintenance expenses. For example, see *Public Service Company of New Mexico* (1980) 10 FERC ¶ 63,020, *Illinois Power Company* (1980), 11 FERC ¶ 63,040, *Delmarva Power & Light Company* (1981) 17 FERC ¶ 63,044, and *Ohio Edison Company* (1983) 24 FERC ¶ 63,068.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 122

Responding Witness: William Steven Seelye

Q-122. Refer to Seelye Exhibit 24.

a. Refer to page 37 of 66. Explain the allocation vector NPT. Include in the response the calculation of the vector or the location of the calculation in the application.

b. Refer to page 43 of 66. Explain why the allocation of the $11,451,462 Year End Revenue Adjustment to the rate classes does not reconcile with the adjustments to the individual rate classes shown in Seelye Exhibit 20, page 1 of 2, column 9.

c. Refer to page 46 of 66. Explain the allocation vectors REVUC, RBT, and OMT. Include in the response the calculation of the vectors or the location of the calculations in the application.

d. Refer to page 55 of 66. Explain the allocation vector MISCR. Include in the response the calculation of the vector or the location of the calculation in the application.

e. Refer to page 58 of 66.

(1) Provide the workpapers supporting the Customer Allocation Factors C02 and C03.

(2) For the Plant Customer Allocators which are based on year-end customer information, explain if the Total System column can be calculated from information contained in Seelye Exhibit 20, page 1 of 2, column 2, Number of Customers Served at October 31, 2009. If so, provide the calculation. If no, explain why they cannot be calculated using Exhibit 20.

A-122. a. In general, the column labeled "Allocation Vector" refers to a vector used to functionally assign (or allocate) the amount shown under "Total System". The vector used as an allocator can be located by finding the Allocation Vector in the column labeled "Name". NPT refers to net property taxes, which is also labeled

PTT in the cost of service study. The values for NPT (or PTT) are calculated in the last row shown on pages 25-27 of Seelye Exhibit 24.

b. In the cost of service study, the total year-end adjustment was allocated to the rate classes on the basis of adjusted customers at the end of the years. Mr. Seelye agrees that using the adjustments to the individual rate classes shown in Seelye Exhibit 20, page 1 of 2, column 9, would have been a reasonable approach.

c. REVUC refers to Sales to Ultimate Consumers and can found on page 37 of Seelye Exhibit 24. RBT refers to total Net Cost Rate Base and can be found on page 7 of Seelye Exhibit 24. OMT refers to total Operation and Maintenance Expenses and can be found on page 10 of Seelye Exhibit 24.

d. MISCR refers to Miscellaneous Service Revenue and can be found on page 64 of Seelye Exhibit 24.

e. (1) Please see attached.

(2) Yes, below are the calculations:

RS = Rate R YEC + 4114 WH YEC

GS = Rate GS YEC + 74 WH YEC

Power Service Primary = CS Primary YEC + IS Primary YEC

Power Service Secondary = CS Secondary YEC + IS Secondary YEC

Commercial TOD Primary = Commercial TOD Primary YEC

Commercial TOD Secondary = Commercial TOD Secondary YEC

Industrial TOD Primary = Industrial TOD Primary YEC

Industrial TOD Secondary = Industrial TOD Secondary YEC

Retail Transmission Service = Retail Transmission Service YEC

Street Lighting Rate LS & RLS = Street Lighting Rate LS & RLS YEC

Street Lighting Rate LE = Street Lighting Rate LE YEC

Traffic Lighting Service = Traffic Lighting Service YEC

(Note: YEC = Year End Customers)

Louisville Gas and Electric Company
Determination of Meter Allocation

	Cost per Meter	Year-End Customers	Total Meter Cost	Allocation Factor
Residential Service Rate RS	$ 65.34	347,573.00	$ 22,708,843	0.84107
General Service Rate GS	71.87	41,583.00	2,988,529	0.11069
Power Service Primary	518.03	90.00	46,623	0.00173
Power Service Secondary	326.46	3,063.00	999,957	0.03704
Commercial TOD Service Primary	397.40	21.00	8,345	0.00031
Commercial TOD Service Secondary	397.40	84.00	33,382	0.00124
Retail Transmission Service	2,099.40	5.00	10,497	0.00039
Industrial TOD Service Primary	2,127.46	45.00	95,736	0.00355
Industrial TOD Service Secondary	2,099.46	17.00	35,691	0.00132
Fort Knox	2,266.00	1.00	2,266	0.00008
Louisville Water Company	2,576.67	2.00	5,153	0.00019
Street Lighting Rate SLE	65.34	108.00	7,056	0.00026
Street Lighting Rate TLE	65.34	886.00	57,887	0.00214
		393,478	$ 26,999,966	1.000000

Louisville Gas and Electric Company
Determination of Services Allocation

	Cost per Service	Year-End Customers	Total Service Cost	Allocation Factor
Residential Service Rate RS	$ 52.69	347,573	$ 18,312,472	0.88364
General Service Rate GS	69.65	41,583	2,896,212	0.10572
Power Service Primary	-	-	-	0.00000
Power Service Secondary	1,034.71	3,063	3,169,312	0.00779
Commercial TOD Primary	-	-	-	0.00000
Commercial TOD Secondary	728.74	84	61,214	0.00021
Industrial TOD Primary	-	-	-	0.00000
Retail Transmission Service	-	-	-	0.00000
Industrial TOD Secondary	1,217.45	45	54,785	0.00011
Fort Knox	-	-	-	0.00000
Louisville Water Company	-	-	-	0.00000
Street Lighting Rate SLE	55.13	108	5,954	0.00027
Street Lighting Rate TLE	31.99	886	28,343	0.00225
		393,342	$ 24,528,292	1.000000

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 123

Responding Witness: William Steven Seelye

Q-123. Refer to Seelye Exhibit 25. Refer to page 4 of 4. Explain how the results of the zero intercept calculations are being split between the Distribution Primary and Distribution Secondary Lines.

A-123. Overhead conductor costs are split between primary and secondary on the basis of 75.76 percent as primary and 24.24 percent as secondary. These percentages are from an engineering study that was performed in 2003.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 124

Responding Witness: William Steven Seelye

Q-124. Refer to Seelye Exhibit 26.

a. The zero intercept analysis of underground conductors results in a percentage classified as customer-related and demand-related of 30.81 and 69.19 percent, respectively. This differs significantly from LG&E's most recent rate case in which the intercept analysis of underground conductors resulted in a percentage classified as customer-related and demand-related of 62.65 and 37.35 percent, respectively. Provide the reason for a difference of this magnitude from one rate case to the next.

b. Refer to page 4 of 4. Explain how the results of the zero intercept calculations are being split between the Distribution Primary and Distribution Secondary.

A-124. a. In the last study, the zero-intercept analysis was based on reconstructed estimates of billing records from continuing property records from the 1990s. For this cost of service study, a sample was drawn from property record costs to construct a current estimate. Mr. Seelye believes that the results in this proceeding are more representative of the customer/demand percentages that are normally seen in the industry.

b. Underground conductor costs are split between primary and secondary on the basis of 99.22 percent as primary and 0.78 percent as secondary. These percentages are from an engineering study that was performed in 2003.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 125

Responding Witness: William Steven Seelye

Q-125. Provide an electronic copy of Seelye Exhibits 5 through 31 with all formulas intact.

A-125. The requested electronic copy of information is included on the attached CD in the folder titled Question No. 125.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 126

Responding Witness: Shannon L. Charnas

Q-126. Refer to the response to Items 12.a. and b. of Staff's First Request, which shows that the test year income statements include Accretion Expense of $1,501,896 and $464,021, respectively, for LG&E's electric and gas operations.

a. Provide the workpapers showing the derivation of the accretion expense along with a narrative description of the derivation.

b. Provide the portions of the two expense amounts that are related to the accrual of Asset Retirement Obligations ("ARO").

c. Explain why accretion expense related to AROs should be part of LG&E's revenue requirement. Specifically, address the reasonableness of such recovery given that the estimated removal costs associated with all assets, including the assets upon which AROs are accrued, are a component of LG&E's depreciation expense.

d. Provide the journal entries originally made to adopt FASB 143.

e. Provide the test year journal entries related to FASB 143.

A-126. a. The calculation of accretion expense is performed in an automated fashion within the PowerPlant Fixed Asset System. Accretion expense is calculated by taking the beginning ARO liability balance multiplied by the discount rate for each ARO.

b. All accretion expense is related to the accrual of Asset Retirement Obligations.

c. Accretion and depreciation expense related to AROs are both income statement neutral as they are offset by income statement regulatory credits and reclassified to a regulatory asset on the balance sheet. Therefore, there is no impact on LG&E's revenue requirement.

d. See response to PSC-1 Question No. 56(b).

e. See attached.

Louisville Gas and Electric Company
Journal Entries related to FASB 143
Test Year November 2008 - October 2009
($000's)

DESCRIPTION	DEBIT	CREDIT
Monthly Depreciation and Accretion		
Depreciation Expense-Acct 403 (Parent- Cost of Removal)	$ 96	
Regulatory Liability-Acct 254		$ 96
Depr expense for net cost of removal on parent assets.		
Depreciation Expense-Acct 403 (Child)	$ 236	
Accumulated Depreciation-Acct 108		$ 236
Depr expense on child assets.		
Accretion Expense-Acct 411	$ 1,966	
ARO Liability-Acct 230		$ 1,966
Record accretion expense on ARO liability.		
Regulatory Asset-Acct 182	$ 2,202	
Regulatory Credit-Acct 407		$ 2,202
To reverse child depr/accretion to regulatory asset (Income statement neutral).		
Cash Payments		
Accumulated Depreciation-RWIP-Acct 108	$ 2,376	
Cash-Acct 131		$ 2,376
Cash payments for cost of removal.		
ARO Settlement Activity		
ARO Liability-Acct 230	$ 1,676	
Regulatory Asset-Acct 182		$ 1,676
Reversal of ARO liability for settlement of obligations.		
Accumulated Depreciation-Acct 108 (Cost of Removal)	$ 837	
Regulatory Liability-Acct 254	$ 266	
Accumulated Depreciation-RWIP-Acct 108		$ 1,103
Application of cost of removal cash against reserves.		
ARO Asset Accumulated Depreciation-Acct 108	$ 112	
Plant in Service-Acct 101 (ARO child cost)		$ 112
Retirement of ARO child assets for liabilities settled.		

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 127

Responding Witness: Valerie L. Scott

Q-127. Refer to the response to Item 13 of Staff's First Request.

a. Provide a schedule of all accounts shown in the response to which salaries and payroll overheads were reported for LG&E employees during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.

b. Provide a schedule listing all accounts shown in the response to which salaries and payroll overheads were reported by LG&E for service provided by Servco employees during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.

c. Provide a schedule listing all accounts shown in the response to which salaries and payroll overheads were reported by LG&E for services provide by the executive employees listed at Item 46 of LG&E's response to Staff's First Request. State the amount of salaries, other compensation and each individual payroll overhead charged to each account separately.

d. Provide a schedule listing all accounts shown in the response to which salaries and payroll overheads were reported by LG&E for services provided by KU employees during the test year. State the amount of salaries and each individual payroll overhead charged to each account separately.

e. Provide a schedule listing all accounts as shown in the response to which any salaries, other compensation and payroll overheads were reported during the test year that are not captured in the responses to parts a. through d. of this request. State the amount of salaries, other compensation and each individual payroll overhead charged to each account separately. Provide the employer name for all employees included in this response.

A-127. Labor costs related to the 2009 winter storm were reclassified from O&M expense accounts to regulatory asset accounts per KPSC Order No. 2009-00175. Reclassifications were prepared at a summary level, so data is not available to provide reclassified amounts by salary and payroll overhead type for each general ledger account and each of the categories listed in parts a, b and d above. As such, the reclassification is not reflected in the responses to parts a, b and d. See the following table for a summary of the total salary and payroll overhead amounts that were reclassified for LG&E.

Account	Reclassification Amount
182320	2,149,356
182342	60,276
571100	(2,164)
580100	(615,772)
583001	(177,350)
590100	(39,585)
593001	(20,040)
593002	(1,142,940)
593003	(46,185)
593004	(25,647)
594002	(7,169)
595100	(71,186)
598100	(1,320)
834100	(3,020)
880900	(57,256)

a. See attached.

b. See attached.

c. Expenses related to salary, other compensation and payroll overheads are not recorded in the Company's general ledger by individual employee or type of employee. Executive employee salary, other compensation and payroll overheads are intermingled with other exempt employee salary, other compensation and payroll overheads and are included in the response to part (b), as executive employees are all Servco employees.

d. See attached.

e. See attached for LG&E labor and payroll overheads charged to KU. In addition, $48,520 of labor was charged to other entities.

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by LG&E Employees to LG&E

(1) Account	(2) Labor	(3) 401(k)	(4) Dental	(5) FASB 112	(6) FASB 106	(7) FICA	(8) Holiday	(9) Life	(10) LT Disability	(11) Medical	(12) Misc	(13) Other Off Duty	(14) Pension	(15) Retirement Inc	(16) Sick	(17) TIA	(18) Tuition	(19) Unemployment	(20) Vacation	(21) Workers' Comp	(22) Total
107001	$ 7,895,759	$ 314,637	$ 53,835	$ 13,430	$ 1,014,117	$ 662,899	$ 338,867	$ 37,405	$ 38,766	$ 919,636	$ 107,044	$ 57,585	$ 2,884,251	$ 44,085	$ 187,192	$ 651,943	$ -	$ 15,050	$ 619,764	$ 130,557	$ 15,986,822
108901	883,648	32,833	5,368	158	108,794	74,338	36,123	3,870	3,718	96,033	11,370	6,038	297,121	4,699	20,191	73,739	-	1,744	65,983	12,897	1,738,665
143003	842,602	33,762	6,527	1,993	110,155	80,928	36,415	4,041	5,138	110,668	11,234	6,719	282,865	4,747	18,696	77,758	3,223	1,834	66,230	15,479	1,721,014
143004	895,436	35,879	6,936	2,118	117,063	86,003	38,698	4,295	5,460	117,608	11,938	7,140	300,603	5,045	19,869	82,634	3,425	1,949	70,383	16,450	1,828,932
143022	5,536	86	16	15	278	524	90	10	10	264	27	16	700	12	51	459	-	15	166	34	8,309
143024	96,583	266	32	(126)	869	5,730	308	39	43	614	76	42	1,664	38	146	9,139	-	6	554	91	116,114
163002	383,642	17,461	2,902	169	57,286	32,196	19,061	2,089	2,111	50,818	5,763	3,209	149,586	2,492	10,474	31,930	-	730	34,819	6,717	813,455
163004	19,691	937	165	53	2,970	1,647	990	113	125	2,705	322	168	8,416	127	540	1,602	-	36	1,813	361	42,781
184076	-	68,968	9,716	2	125,298	106,969	-	7,744	8,025	159,925	19,339	-	316,071	8,588	-	-	-	3,690	-	14,375	848,710
184150	(7)	-	-	-	-	-	(1)	-	-	-	-	(1)	-	-	(1)	(1)	-	-	(1)	-	(12)
184307	19,723	914	154	17	2,972	1,650	988	109	112	2,643	307	166	7,869	128	546	1,629	-	38	1,806	354	42,125
184319	6,410	299	50	5	976	536	324	36	37	866	101	54	2,581	42	179	530	-	12	593	116	13,747
184501	581	26	3	(12)	85	38	29	4	3	54	8	3	51	3	17	48	-	1	52	11	1,005
184516	29,228	575	84	117	2,257	2,956	708	45	(12)	2,071	277	128	7,886	99	495	2,519	-	102	1,299	263	51,097
184517	23,481	920	89	(613)	3,121	1,438	1,090	139	126	1,815	252	115	1,908	111	586	2,120	-	35	1,969	354	39,056
184519	14,359	610	119	102	1,892	1,221	615	74	94	1,797	140	111	3,237	81	323	1,126	-	23	1,130	231	27,285
184520	(106,528)	(3,063)	(460)	419	(8,434)	(10,120)	(4,386)	(513)	(499)	(8,858)	(941)	(703)	(20,348)	(596)	(1,753)	(9,565)	-	(327)	(9,054)	(827)	(186,556)
184600	7,421	350	58	(9)	1,134	604	380	43	46	995	111	63	2,880	50	202	620	-	12	693	132	15,785
184602	899,974	41,137	6,182	(5,024)	137,378	71,567	46,201	5,102	4,842	114,088	13,815	7,273	337,173	5,882	25,340	76,945	-	1,621	84,090	15,789	1,889,375
184603	1,517,695	69,358	11,123	(3,050)	228,343	124,214	76,317	8,446	8,405	197,131	23,136	12,462	582,103	9,818	41,902	127,469	-	2,796	139,209	26,694	3,203,571
186049	7,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,280
186201	372	6	1	1	19	10	6	1	1	18	1	1	10	1	3	10	-	-	11	2	474
186235	6,994	52	5	(13)	178	379	217	8	7	98	15	34	108	6	112	398	-	7	397	78	9,080
186251	106	-	-	-	-	9	-	-	-	-	-	-	-	-	-	8	-	-	-	-	123
408105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,409	-	-	43,409
408106	-	-	-	-	-	4,393,089	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,393,089
408107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,234	-	-	59,234
408115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)	-	-	(9)
408116	-	-	-	-	-	2,318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,318
408117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42	-	-	42
408118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	(7)
408119	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	4
408120	-	-	-	-	-	247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247
408125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(169)	-	-	(169)
408126	-	-	-	-	-	19,493	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,493
408127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	-	-	350
408135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28)	-	-	(28)
408136	-	-	-	-	-	3,366	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,366
408137	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60	-	-	60
408188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(87)	-	-	(87)
408189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	214	-	-	214
408190	-	-	-	-	-	11,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,932
416001	14,025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,025
426501	97,438	4,109	693	(129)	13,044	7,626	4,315	513	543	11,001	1,287	657	24,489	495	2,471	7,950	-	179	7,929	1,661	186,271
500100	437,039	-	-	-	-	-	22,055	-	-	-	-	3,681	-	-	12,222	35,759	-	-	40,376	-	551,132
500900	(33,756)	-	-	-	-	-	(1,649)	-	-	-	-	(449)	-	-	(580)	(4,955)	(13)	-	(2,890)	-	(44,292)
501026	18,518	-	-	-	-	-	513	-	-	-	-	79	-	-	248	1,639	-	-	928	-	21,925
501090	2,269,774	-	-	-	-	-	91,346	-	-	-	-	15,108	-	-	49,448	189,610	-	-	166,750	-	2,782,036
502002	6,376,490	-	-	-	-	-	248,718	-	-	-	-	41,414	-	-	135,746	530,619	-	-	454,146	-	7,787,133
502004	1,827,968	-	-	-	-	-	73,642	-	-	-	-	12,243	-	-	39,815	151,557	-	-	134,478	-	2,239,703
502005	620,976	-	-	-	-	-	20,430	-	-	-	-	3,408	-	-	11,298	51,691	-	-	37,335	-	745,138
502100	2,237,013	-	-	-	-	-	98,584	-	-	-	-	16,555	-	-	53,816	184,564	-	-	180,092	-	2,770,624
505100	563,732	-	-	-	-	-	22,203	-	-	-	-	3,721	-	-	12,264	46,845	-	-	40,585	-	689,350
506100	4,292,709	109	17	11	308	575	182,972	17	12	396	47	30,730	1,298	28	99,818	355,560	2,102	19	334,347	27	5,301,102
506105	79,338	-	-	-	-	-	3,182	-	-	-	-	544	-	-	1,706	6,593	-	-	5,806	-	97,169
506900	1,089	-	-	-	-	-	47	-	-	-	-	8	-	-	27	86	-	-	86	-	1,343
510100	1,101,893	-	-	-	-	-	53,489	-	-	-	-	8,863	-	-	29,533	90,156	-	-	97,892	-	1,381,826
511100	282,445	-	-	-	-	-	12,984	-	-	-	-	2,172	-	-	7,104	23,423	-	-	23,707	-	351,835
512005	1,468,481	-	-	-	-	-	58,335	-	-	-	-	9,723	-	-	31,854	122,149	-	-	106,517	-	1,797,059
512015	117,421	-	-	-	-	-	5,338	-	-	-	-	896	-	-	2,848	9,758	-	-	9,757	-	146,018
512017	296,869	-	-	-	-	-	11,020	-	-	-	-	1,855	-	-	5,890	24,615	-	-	20,106	-	360,355
512100	4,363,422	-	-	-	-	-	187,480	-	-	-	-	31,659	-	-	102,745	360,987	-	-	342,623	-	5,388,916
512101	93,823	-	-	-	-	-	3,507	-	-	-	-	587	-	-	1,941	7,932	-	-	6,397	-	114,187
512102	13,610	-	-	-	-	-	707	-	-	-	-	118	-	-	337	1,130	-	-	1,285	-	17,187
513100	1,391,818	-	-	-	-	-	50,693	-	-	-	-	8,608	-	-	28,185	114,141	-	-	92,756	-	1,686,201
513900	(3,040)	-	-	-	-	-	(149)	-	-	-	-	(41)	-	-	(65)	(399)	-	-	(244)	-	(3,938)
514100	22,047	101	10	(67)	344	158	1,085	15	14	200	28	149	210	12	602	1,612	-	4	2,035	39	28,598
535100	76,594	-	-	-	-	-	3,717	-	-	-	-	677	-	-	2,064	6,147	-	-	6,823	-	96,022
538100	135,662	-	-	-	-	-	4,429	-	-	-	-	743	-	-	2,436	11,229	-	-	8,094	-	162,593

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by LG&E Employees to LG&E

(1) Account	(2) Labor	(3) 401(k)	(4) Dental	(5) FASB 112	(6) FASB 106	(7) FICA	(8) Holiday	(9) Life	(10) LT Disability	(11) Medical	(12) Misc	(13) Other Off Duty	(14) Pension	(15) Retirement Inc	(16) Sick	(17) TIA	(18) Tuition	(19) Unemployment	(20) Vacation	(21) Workers' Comp	(22) Total
539100	9,266	-	-	-	-	-	522	-	-	-	-	75	-	-	254	866	-	-	935	-	11,918
541100	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	6
542100	22,785	-	-	-	-	-	1,142	-	-	-	-	189	-	-	647	1,906	-	-	2,085	-	28,754
543100	49,157	-	-	-	-	-	1,865	-	-	-	-	318	-	-	1,011	4,093	-	-	3,394	-	59,838
544100	110,859	-	-	-	-	-	5,057	-	-	-	-	844	-	-	2,922	9,127	-	-	9,264	-	138,073
548100	77,954	-	-	-	-	-	3,586	-	-	-	-	600	-	-	1,949	6,466	-	-	6,548	-	97,103
551100	(758)	-	-	-	-	-	(38)	-	-	-	-	(16)	-	-	(11)	(162)	-	-	(47)	-	(1,032)
552100	2,814	-	-	-	-	-	172	-	-	-	-	23	-	-	73	283	-	-	304	-	3,669
553100	124,856	-	-	-	-	-	5,375	-	-	-	-	910	-	-	2,800	10,366	-	-	9,803	-	154,110
554100	252	-	-	-	-	-	12	-	-	-	-	2	-	-	6	20	-	-	22	-	314
556900	217	-	-	-	-	-	13	-	-	-	-	2	-	-	6	22	-	-	23	-	283
560900	3,357	-	-	-	-	-	139	-	-	-	-	25	-	-	74	267	-	-	255	-	4,117
562100	489,049	-	-	-	-	-	22,416	-	-	-	-	3,754	-	-	12,245	40,742	-	-	40,923	-	609,129
563100	268	-	-	-	-	-	14	-	-	-	-	2	-	-	10	19	-	-	26	-	339
566100	65,195	-	-	-	-	-	3,261	-	-	-	-	552	-	-	1,823	5,378	-	-	5,967	-	82,176
566900	660	-	-	-	-	-	30	-	-	-	-	5	-	-	20	58	-	-	55	-	828
570100	226,862	-	-	-	-	-	10,513	-	-	-	-	1,720	-	-	5,782	19,004	-	-	19,193	-	283,074
573100	1,582	-	-	-	-	-	87	-	-	-	-	13	-	-	43	139	-	-	157	-	2,021
580100	525,535	-	-	-	-	-	14,876	-	-	-	-	2,704	-	-	8,024	41,611	-	-	27,301	-	620,051
582100	229,993	-	-	-	-	-	11,345	-	-	-	-	1,911	-	-	6,176	18,829	-	-	20,758	-	289,012
583001	612,908	-	-	-	-	-	21,303	-	-	-	-	3,473	-	-	11,028	51,598	-	-	38,697	-	739,007
583003	1,635	-	-	-	-	-	73	-	-	-	-	13	-	-	51	138	-	-	135	-	2,045
583005	860,155	-	-	-	-	-	36,204	-	-	-	-	6,000	-	-	19,824	71,847	-	-	66,080	-	1,060,110
583008	9,270	-	-	-	-	-	445	-	-	-	-	75	-	-	250	762	-	-	814	-	11,616
583009	7,437	-	-	-	-	-	397	-	-	-	-	61	-	-	193	668	-	-	714	-	9,470
583010	32,722	-	-	-	-	-	1,364	-	-	-	-	248	-	-	752	2,624	-	-	2,504	-	40,214
583100	89,336	-	-	-	-	-	4,392	-	-	-	-	721	-	-	2,348	7,456	-	-	8,008	-	112,261
584001	48,464	-	-	-	-	-	2,205	-	-	-	-	357	-	-	1,184	4,038	-	-	4,021	-	60,269
584003	196	-	-	-	-	-	9	-	-	-	-	2	-	-	6	16	-	-	17	-	246
584005	11,143	-	-	-	-	-	574	-	-	-	-	95	-	-	293	936	-	-	1,044	-	14,085
584008	1,788	-	-	-	-	-	70	-	-	-	-	10	-	-	36	156	-	-	126	-	2,186
585100	4,829	-	-	-	-	-	147	-	-	-	-	24	-	-	91	366	-	-	272	-	5,729
586100	2,392,733	-	-	-	-	-	102,910	-	-	-	-	17,163	-	-	56,473	198,828	-	-	187,955	-	2,956,062
588100	314,338	494	86	19	996	2,520	14,100	114	115	1,709	170	2,358	4,768	141	7,501	26,633	-	95	26,188	52	402,397
588900	5,126	-	-	-	-	-	199	-	-	-	-	36	-	-	100	399	-	-	366	-	6,226
590100	40,673	-	-	-	-	-	353	-	-	-	-	64	-	-	182	3,174	-	-	648	-	45,094
591003	8,520	367	68	47	976	703	376	47	57	1,022	77	72	1,754	48	194	743	-	16	676	117	15,880
592100	216,814	303	55	36	734	721	10,570	36	38	756	53	1,775	627	16	5,662	18,455	-	18	19,329	(27)	275,971
593001	248,006	-	-	-	-	-	10,674	-	-	-	-	1,786	-	-	5,644	20,654	-	-	19,460	-	306,224
593002	2,300,871	-	-	-	-	-	32,748	-	-	-	-	5,629	-	-	17,484	184,148	-	-	59,862	-	2,600,742
593003	48,335	-	-	-	-	-	857	-	-	-	-	156	-	-	438	3,792	-	-	1,573	-	55,151
593004	123,869	-	-	-	-	-	6,238	-	-	-	-	1,053	-	-	3,419	10,236	-	-	11,402	-	156,217
594002	263,948	-	-	-	-	-	8,312	-	-	-	-	1,401	-	-	4,613	22,049	-	-	15,184	-	315,507
595100	161,596	-	-	-	-	-	6,937	-	-	-	-	1,173	-	-	3,716	13,177	-	-	12,683	-	199,282
596100	31,775	-	-	-	-	-	1,541	-	-	-	-	257	-	-	849	2,637	-	-	2,817	-	39,876
598100	33,672	230	22	(153)	781	360	1,621	35	31	454	63	270	477	28	867	2,776	-	9	2,961	89	44,593
807001	6,349	-	-	-	-	-	370	-	-	-	-	50	-	-	176	576	-	-	665	-	8,186
807002	4,253	-	-	-	-	-	250	-	-	-	-	32	-	-	119	391	-	-	449	-	5,494
807003	125,337	-	-	-	-	-	7,095	-	-	-	-	983	-	-	3,502	11,006	-	-	12,830	-	160,753
807401	18,072	-	-	-	-	-	876	-	-	-	-	159	-	-	489	1,453	-	-	1,608	-	22,657
807501	17,338	-	-	-	-	-	847	-	-	-	-	154	-	-	441	1,365	-	-	1,556	-	21,701
807502	293,921	-	-	-	-	-	14,183	-	-	-	-	2,578	-	-	8,116	23,802	-	-	26,030	-	368,630
813001	11,748	-	-	-	-	-	616	-	-	-	-	99	-	-	320	989	-	-	1,120	-	14,892
814003	332,038	-	-	-	-	-	16,605	-	-	-	-	2,776	-	-	9,107	27,538	-	-	30,335	-	418,399
816100	17,775	-	-	-	-	-	819	-	-	-	-	135	-	-	439	1,463	-	-	1,494	-	22,125
817100	253,930	-	-	-	-	-	12,281	-	-	-	-	2,090	-	-	6,671	21,086	-	-	22,426	-	318,484
818100	337,085	-	-	-	-	-	15,295	-	-	-	-	2,486	-	-	8,025	28,427	806	-	27,850	-	419,974
821100	490,233	-	-	-	-	-	21,057	-	-	-	-	3,456	-	-	9,908	41,476	-	-	38,188	-	604,318
830100	232,292	-	-	-	-	-	11,761	-	-	-	-	1,963	-	-	6,422	19,325	-	-	21,472	-	293,235
832100	177,940	-	-	-	-	-	8,366	-	-	-	-	1,460	-	-	4,667	14,423	-	-	15,331	-	222,187
833100	61,425	-	-	-	-	-	2,639	-	-	-	-	447	-	-	1,443	5,051	-	-	4,826	-	75,831
834100	438,362	-	-	-	-	-	20,634	-	-	-	-	3,496	-	-	11,769	36,472	-	-	37,764	-	548,497
835100	36,482	-	-	-	-	-	1,704	-	-	-	-	285	-	-	951	3,041	-	-	3,115	-	45,578
836100	113,675	-	-	-	-	-	5,409	-	-	-	-	779	-	-	2,766	10,001	-	-	9,796	-	142,426
837100	31,252	-	-	-	-	-	1,574	-	-	-	-	250	-	-	830	2,633	-	-	2,864	-	39,403
850100	2,918	-	-	-	-	-	85	-	-	-	-	16	-	-	57	277	-	-	157	-	3,510
851100	206,733	-	-	-	-	-	10,535	-	-	-	-	1,761	-	-	5,675	17,169	-	-	19,229	-	261,102
856100	147,508	-	-	-	-	-	6,644	-	-	-	-	1,148	-	-	3,970	12,278	-	-	12,172	-	183,720
863100	91,050	-	-	-	-	-	3,811	-	-	-	-	604	-	-	2,156	7,705	-	-	6,953	-	112,279

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by LG&E Employees to LG&E

(1) Account	(2) Labor	(3) 401(k)	(4) Dental	(5) FASB 112	(6) FASB 106	(7) FICA	(8) Holiday	(9) Life	(10) LT Disability	(11) Medical	(12) Misc	(13) Other Off Duty	(14) Pension	(15) Retirement Inc	(16) Sick	(17) TIA	(18) Tuition	(19) Unemployment	(20) Vacation	(21) Workers' Comp	(22) Total
871100	294,287	-	-	-	-	-	15,006	-	-	-	-	2,506	-	-	8,075	24,444	-	-	27,388	-	371,706
874001	325,311	-	-	-	-	-	14,531	-	-	-	-	2,491	-	-	7,932	26,792	-	-	26,567	-	403,624
874002	4,965	-	-	-	-	-	221	-	-	-	-	27	-	-	83	532	-	-	386	-	6,214
874005	87,881	-	-	-	-	-	2,855	-	-	-	-	464	-	-	1,572	7,818	-	-	5,204	-	105,794
874006	20,586	-	-	-	-	-	1,006	-	-	-	-	182	-	-	506	1,600	-	-	1,846	-	25,726
874007	69,734	-	-	-	-	-	2,789	-	-	-	-	453	-	-	1,522	5,750	-	-	5,091	-	85,339
874008	44,881	-	-	-	-	-	2,076	-	-	-	-	342	-	-	1,137	3,778	-	-	3,789	-	56,003
875100	365,704	-	-	-	-	-	15,908	-	-	-	-	2,662	-	-	9,097	30,528	-	-	29,116	-	453,015
876100	177,472	-	-	-	-	-	8,416	-	-	-	-	1,398	-	-	4,264	14,988	-	-	15,310	-	221,848
877100	21,164	-	-	-	-	-	1,026	-	-	-	-	176	-	-	566	1,701	-	-	1,883	-	26,516
878100	7,633	-	-	-	-	-	364	-	-	-	-	61	-	-	222	641	-	-	667	-	9,588
879100	224,981	-	-	-	-	-	7,700	-	-	-	-	1,291	-	-	4,201	18,672	-	-	14,073	-	270,918
880100	801,196	256	46	7	533	1,391	36,658	63	65	923	90	6,248	2,571	79	20,256	66,567	-	51	67,320	26	1,004,346
880900	39,772	-	-	-	-	-	1,410	-	-	-	-	256	-	-	705	3,096	-	-	2,587	-	47,826
886100	24,850	485	80	(27)	1,371	890	1,166	64	73	1,259	108	204	2,020	63	612	2,089	-	21	2,118	161	37,607
887100	2,977,258	-	-	-	-	-	127,937	-	-	-	-	21,635	-	-	69,849	246,210	-	-	233,799	-	3,676,688
889100	36,857	-	-	-	-	-	1,604	-	-	-	-	273	-	-	871	2,980	-	-	2,941	-	45,526
890100	150,451	-	-	-	-	-	4,286	-	-	-	-	745	-	-	2,108	12,154	-	-	7,825	-	177,569
891100	143,957	-	-	-	-	-	6,444	-	-	-	-	1,081	-	-	3,441	11,992	-	-	11,759	-	178,674
892100	574,418	-	-	-	-	-	25,125	-	-	-	-	4,197	-	-	14,117	47,914	-	-	45,940	-	711,711
894100	154,778	-	-	-	-	-	7,514	-	-	-	-	1,311	-	-	4,069	12,605	-	-	13,752	-	194,029
901001	2,220	-	-	-	-	-	45	-	-	-	-	8	-	-	22	173	-	-	83	-	2,551
902001	345,399	-	-	-	-	-	17,266	-	-	-	-	2,909	-	-	9,416	28,555	-	-	31,547	-	435,092
903001	636,789	-	-	-	-	-	24,401	-	-	-	-	4,103	-	-	13,489	52,613	-	-	44,569	-	775,964
903002	3,199	-	-	-	-	-	123	-	-	-	-	17	-	-	60	274	-	-	223	-	3,896
903003	5,723	-	-	-	-	-	242	-	-	-	-	44	-	-	164	489	-	-	444	-	7,106
903006	113,851	-	-	-	-	-	5,413	-	-	-	-	925	-	-	2,889	9,240	-	-	9,903	-	142,221
903007	243,251	-	-	-	-	-	11,502	-	-	-	-	1,917	-	-	6,214	20,113	-	-	21,009	-	304,006
903008	157,575	-	-	-	-	-	7,917	-	-	-	-	1,337	-	-	4,335	12,982	-	-	14,474	-	198,620
903022	159,996	-	-	-	-	-	7,765	-	-	-	-	1,315	-	-	4,271	13,175	-	-	14,199	-	200,721
903023	15,139	-	-	-	-	-	769	-	-	-	-	130	-	-	410	1,246	-	-	1,404	-	19,098
903025	79,415	-	-	-	-	-	4,037	-	-	-	-	670	-	-	2,193	6,602	-	-	7,371	-	100,288
903030	2,355	-	-	-	-	-	93	-	-	-	-	15	-	-	46	206	-	-	167	-	2,882
903035	80,970	-	-	-	-	-	4,050	-	-	-	-	689	-	-	2,257	6,700	-	-	7,405	-	102,071
903907	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	34
903930	757	-	-	-	-	-	19	-	-	-	-	3	-	-	9	59	-	-	34	-	881
903931	16,272	-	-	-	-	-	13	-	-	-	-	2	-	-	8	1,302	-	-	24	-	17,621
903936	395	-	-	-	-	-	13	-	-	-	-	2	-	-	6	31	-	-	23	-	470
905001	26,086	249	31	(66)	769	867	1,019	38	31	704	89	170	1,783	48	510	2,195	-	27	1,934	78	36,562
905002	3,024	-	-	-	-	-	154	-	-	-	-	25	-	-	70	266	-	-	279	-	3,818
905003	62,836	-	-	-	-	-	3,147	-	-	-	-	533	-	-	1,705	5,184	-	-	5,750	-	79,155
908005	796	(103)	(21)	(17)	(279)	(428)	90	(13)	(18)	(296)	(61)	16	(2,031)	(14)	54	236	-	(7)	167	(44)	(1,973)
909013	2,004	-	-	-	-	-	72	-	-	-	-	13	-	-	51	169	-	-	133	-	2,442
910001	41,441	-	-	-	-	-	1,853	-	-	-	-	326	-	-	906	3,319	-	-	3,386	-	51,231
920100	139,652	368	56	38	1,035	1,934	6,676	58	42	1,331	159	1,056	4,367	95	3,793	11,659	-	65	12,611	91	185,086
920900	5,762	-	-	-	-	-	269	-	-	-	-	47	-	-	153	471	-	-	493	-	7,195
922001	-	-	-	-	-	-	(34,550)	-	-	-	-	(9,447)	-	-	(15,737)	(96,184)	-	-	(55,124)	-	(211,042)
922003	(257,338)	(9)	(1,853)	(3,373)	(28)	(35)	(12,531)	(1)	(2,092)	(27,068)	(335)	(2,998)	(74)	(2)	(4,923)	(32,537)	(6,635)	(1)	(22,726)	(3)	(374,562)
925002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	735,002	735,002
925004	16,299	-	-	-	-	-	295	-	-	-	-	48	-	-	150	1,346	-	-	535	-	18,673
925012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,449)	(7,449)
925022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,102	5,102
925023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,244	1,244
925025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39	39
925026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,265	4,265
925100	1,111	-	-	-	-	-	58	-	-	-	-	9	-	-	31	93	-	-	106	-	1,408
926001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199,472	-	-	-	199,472
926002	-	-	-	-	-	-	-	217,680	-	-	-	-	-	-	-	-	-	-	-	-	217,680
926003	-	-	-	-	-	-	-	-	-	5,269,915	79,988	-	-	-	-	-	-	-	-	-	5,349,903
926004	-	-	308,405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308,405
926005	-	-	-	-	-	-	-	-	229,098	-	-	-	-	-	-	-	-	-	-	-	229,098
926012	-	-	-	-	-	-	-	(2,119)	-	-	-	-	-	-	-	-	-	-	-	-	(2,119)
926013	-	-	-	-	-	-	-	-	-	(33,607)	536	-	-	-	-	-	-	-	-	-	(33,071)
926014	-	-	(2,200)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,200)
926015	-	-	-	-	-	-	-	-	(1,904)	-	-	-	-	-	-	-	-	-	-	-	(1,904)
926019	-	-	-	-	-	-	-	-	-	-	506,614	-	-	-	-	-	-	-	-	-	506,614
926022	-	-	-	-	-	-	-	2,511	-	-	-	-	-	-	-	-	-	-	-	-	2,511
926023	-	-	-	-	-	-	-	-	-	29,076	3,844	-	-	-	-	-	-	-	-	-	32,920
926024	-	-	1,123	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,123

Louisville Gas and Electric Company
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(1) Account	(2) Labor	(3) 401(k)	(4) Dental	(5) FASB 112	(6) FASB 106	(7) FICA	(8) Holiday	(9) Life	(10) LT Disability	(11) Medical	(12) Misc	(13) Other Off Duty	(14) Pension	(15) Retirement Inc	(16) Sick	(17) TIA	(18) Tuition	(19) Unemployment	(20) Vacation	(21) Workers' Comp	(22) Total
926025	-	-	-	-	-	-	-	-	2,278	-	-	-	-	-	-	-	-	-	-	-	2,278
926032	-	-	-	-	-	-	-	579	-	-	-	-	-	-	-	-	-	-	-	-	579
926033	-	-	-	-	-	-	-	-	-	6,617	868	-	-	-	-	-	-	-	-	-	7,485
926034	-	-	247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	247
926035	-	-	-	-	-	-	-	-	525	-	-	-	-	-	-	-	-	-	-	-	525
926100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,728	-	-	-	1,728
926101	-	-	-	-	-	-	-	-	-	-	-	-	14,681,652	-	-	-	-	-	-	-	14,681,652
926102	-	1,906,626	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,906,626
926105	-	-	-	99,135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99,135
926106	-	-	-	-	2,280,953	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,280,953
926110	-	-	-	-	-	-	-	-	-	-	34,093	-	-	-	-	-	-	-	-	-	34,093
926116	-	-	-	-	-	-	-	-	-	-	-	-	-	252,785	-	-	-	-	-	-	252,785
926117	-	-	-	-	-	-	-	-	-	-	-	-	1,088,433	-	-	-	-	-	-	-	1,088,433
926118	-	-	-	-	3,651,737	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,651,737
926121	-	-	-	-	-	-	-	-	-	-	-	-	(24,977)	-	-	-	-	-	-	-	(24,977)
926122	-	(15,830)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15,830)
926123	-	-	-	4,873	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,873
926124	-	-	-	-	(54,709)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(54,709)
926126	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,411)	-	-	-	-	-	-	(1,411)
926127	-	-	-	-	-	-	-	-	-	-	-	-	(5,425)	-	-	-	-	-	-	-	(5,425)
926128	-	-	-	-	4,548	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,548
926131	-	-	-	-	-	-	-	-	-	-	-	-	73,895	-	-	-	-	-	-	-	73,895
926132	-	15,646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,646
926133	-	-	-	(13,752)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,752)
926134	-	-	-	-	20,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,555
926136	-	-	-	-	-	-	-	-	-	-	-	-	-	2,172	-	-	-	-	-	-	2,172
926137	-	-	-	-	-	-	-	-	-	-	-	-	(40,883)	-	-	-	-	-	-	-	(40,883)
926138	-	-	-	-	34,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,275
926141	-	-	-	-	-	-	-	-	-	-	-	-	16,991	-	-	-	-	-	-	-	16,991
926142	-	3,585	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,585
926143	-	-	-	(3,238)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,238)
926144	-	-	-	-	4,727	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,727
926146	-	-	-	-	-	-	-	-	-	-	-	-	-	505	-	-	-	-	-	-	505
926147	-	-	-	-	-	-	-	-	-	-	-	-	(9,401)	-	-	-	-	-	-	-	(9,401)
926148	-	-	-	-	7,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,881
926161	-	-	-	-	-	-	-	-	-	-	-	-	672	-	-	-	-	-	-	-	672
926162	-	135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135
926163	-	-	-	(170)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(170)
926164	-	-	-	-	187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	187
926166	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-	-	-	-	-	-	23
926167	-	-	-	-	-	-	-	-	-	-	-	-	(372)	-	-	-	-	-	-	-	(372)
926168	-	-	-	-	312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	312
926169	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4
926170	-	-	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-	-	24
926171	-	-	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	-	22
926172	-	-	-	-	-	-	-	-	-	223	26	-	-	-	-	-	-	-	-	-	249
926181	-	-	-	-	-	-	-	-	-	-	-	-	57,531	-	-	-	-	-	-	-	57,531
926182	-	12,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,174
926183	-	-	-	(10,750)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,750)
926184	-	-	-	-	16,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,004
926186	-	-	-	-	-	-	-	-	-	-	-	-	-	1,694	-	-	-	-	-	-	1,694
926187	-	-	-	-	-	-	-	-	-	-	-	-	(31,830)	-	-	-	-	-	-	-	(31,830)
926188	-	-	-	-	26,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,685
926189	-	-	868	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	868
926190	-	-	-	-	-	-	-	1,957	-	-	-	-	-	-	-	-	-	-	-	-	1,957
926191	-	-	-	-	-	-	-	-	1,775	-	-	-	-	-	-	-	-	-	-	-	1,775
926192	-	-	-	-	-	-	-	-	-	22,603	2,979	-	-	-	-	-	-	-	-	-	25,582
935101	54,742	340	33	(227)	1,155	532	2,330	51	47	671	93	388	706	41	1,233	4,526	-	13	4,258	131	71,063
935391	181,512	-	-	-	-	-	8,899	-	-	-	-	1,488	-	-	4,885	15,068	-	-	16,262	-	228,114
935488	172	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	-	-	-	187
Total	$ 63,560,739	$ 2,545,648	$ 410,675	$ 81,949	$ 7,921,645	$ 5,693,995	$ 2,605,986	$ 294,769	$ 307,310	$ 7,058,878	$ 835,151	$ 433,206	$ 21,015,986	$ 342,304	$ 1,427,829	$ 5,171,185	$ 204,108	$ 132,896	$ 4,768,659	$ 980,759	$ 125,793,677

Attachment to Response to LGE KPSC-2 Question No. 127(a)

Scott

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by Servco Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
107001	$ 2,463,030	$ 94,724	$ 13,929	$ 7,792	$ 67,340	$ 237,961	$ 120,261	$ 15,125	$ 16,984	$ 244,497	$ 24,021	$ 27,270	$ 584,182	$ 18,542	$ 43,222	$ 307,380	$ -	$ 8,269	$ 228,712	$ 191	$ 4,523,432
108901	3,482	168	23	19	83	276	163	20	21	357	27	45	650	20	73	456	-	14	263	2	6,162
143024	1,537	(8)	2	(9)	44	244	72	10	15	107	8	2	342	18	6	166	-	1	217	(2)	2,772
163002	42,697	1,632	232	132	1,182	4,166	2,104	251	279	4,272	438	469	10,462	332	758	5,356	-	137	4,026	3	78,928
163100	92,910	4,082	562	401	2,607	8,281	4,570	542	584	9,670	1,080	1,136	24,259	668	1,833	11,988	-	323	8,055	27	173,576
183301	17,568	573	92	32	496	1,851	869	115	134	1,668	162	175	4,155	142	264	2,085	-	58	1,804	(4)	32,239
183302	5,014	203	26	23	117	405	200	22	22	444	57	54	1,197	28	91	676	-	17	319	2	8,917
184150	-	-	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
184307	82,773	3,457	476	318	2,319	7,641	4,075	477	517	8,481	939	974	21,352	614	1,570	10,562	-	279	7,415	17	154,256
184504	3,242	82	15	(1)	91	361	163	23	26	251	20	31	557	23	23	286	-	17	387	(3)	5,594
184514	5,352	148	27	1	149	581	268	38	43	424	33	53	915	36	45	488	-	27	621	(4)	9,245
184516	19,189	419	68	(14)	541	2,271	959	111	126	1,527	152	159	3,918	159	160	1,877	-	74	2,310	(16)	33,990
184518	8,395	150	33	(15)	237	1,034	423	60	71	621	47	66	1,456	67	44	735	-	37	1,076	(10)	14,527
184519	2,700	134	21	15	62	220	132	20	23	300	13	36	423	18	60	367	-	10	211	2	4,767
184600	197,464	7,659	1,171	632	5,419	19,073	9,709	1,291	1,477	19,811	1,841	2,204	46,192	1,491	3,492	24,600	-	672	18,447	16	362,661
184602	726,467	30,616	4,190	2,854	20,315	66,656	35,752	4,149	4,475	74,603	8,277	8,603	187,390	5,362	13,884	92,887	-	2,454	64,690	165	1,353,789
184603	597,361	24,730	3,420	2,251	16,718	55,472	29,402	3,449	3,749	61,053	6,716	6,978	153,428	4,450	11,259	76,102	-	2,002	53,776	118	1,112,434
184605	552,249	23,463	3,269	2,216	15,371	50,339	27,119	3,248	3,535	56,881	6,142	6,574	140,696	4,036	10,628	70,851	(986)	1,882	48,763	135	1,026,411
184612	16,440	643	106	54	452	1,587	810	120	142	1,675	140	184	3,770	124	295	2,074	-	56	1,532	2	30,206
186049	422	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	422
186200	18,909	653	111	42	497	1,899	926	136	160	1,791	122	198	3,614	141	284	2,193	-	70	1,879	(3)	33,622
186201	16	1	-	-	-	1	1	-	-	2	-	-	-	-	-	2	-	-	1	-	24
186225	16,818	522	90	31	415	1,658	772	114	135	1,494	100	159	3,047	122	236	1,860	-	54	1,588	(3)	29,212
186235	66,303	2,492	416	(349)	(728)	6,519	3,264	484	570	6,622	461	726	(6,806)	502	1,134	8,207	-	230	6,318	1	96,366
186251	24,235	777	137	30	587	2,582	1,195	176	210	2,297	158	239	4,229	193	358	2,862	-	81	2,495	(6)	42,835
186260	15,830	553	94	37	423	1,607	776	114	136	1,530	111	165	3,234	121	250	1,908	-	55	1,558	(2)	28,500
408105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,581	-	-	6,581
408106	-	-	-	-	-	484,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	484,100
408107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,172	-	-	11,172
408115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119	-	-	119
408116	-	-	-	-	-	18,183	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,183
408117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670	-	-	670
408118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)
408119	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	3
408120	-	-	-	-	-	258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	258
408125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	(7)
408126	-	-	-	-	-	5,580	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,580
408127	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105	-	-	105
408175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12)	-	-	(12)
408176	-	-	-	-	-	6,672	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,672
408177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116	-	-	116
408185	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(482)	-	-	(482)
408186	-	-	-	-	-	315,556	-	-	-	-	-	-	-	-	-	-	-	-	-	-	315,556
408187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,688	-	-	5,688
408188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(43)	-	-	(43)
408189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	722	-	-	722
408190	-	-	-	-	-	38,036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,036
408191	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(103)	-	-	(103)
408193	-	-	-	-	-	52,774	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,774
408194	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900	-	-	900
408195	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,028	-	-	15,028
408196	-	-	-	-	-	1,691,095	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,691,095
408197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,416	-	-	58,416
426491	253,728	10,549	1,409	1,011	6,806	22,826	12,052	1,354	1,435	25,273	2,822	2,950	62,981	1,788	4,760	32,543	-	872	21,516	64	466,739
426501	18,714	798	117	70	497	1,612	916	118	123	1,727	161	242	3,633	107	278	2,028	-	97	1,711	(1)	32,948
426591	26,444	1,127	146	108	737	2,394	1,290	138	143	2,700	321	315	6,999	193	510	3,395	-	89	2,305	7	49,361
500100	98,692	-	-	-	-	-	4,849	-	-	-	-	1,234	-	-	1,976	12,745	-	-	8,404	-	127,900
500900	975,290	-	-	-	-	-	46,986	-	-	-	-	11,602	-	-	18,717	125,711	268	-	83,293	-	1,261,867
501026	7,156	-	-	-	-	-	353	-	-	-	-	75	-	-	123	893	-	-	693	-	9,293
501090	320,669	-	-	-	-	-	15,773	-	-	-	-	3,797	-	-	6,131	41,029	-	-	28,525	-	415,924
501990	252,910	-	-	-	-	-	12,422	-	-	-	-	3,031	-	-	4,907	32,488	-	-	22,206	-	327,964
502100	180,250	-	-	-	-	-	8,142	-	-	-	-	1,993	-	-	3,216	23,195	-	-	14,531	-	231,327
506100	10,623	-	-	-	-	-	518	-	-	-	-	111	-	-	212	1,448	-	-	967	-	13,879
510100	317,349	-	-	-	-	-	15,406	-	-	-	-	3,823	-	-	6,119	40,643	-	-	27,273	-	410,613
512100	71,050	-	-	-	-	-	3,497	-	-	-	-	839	-	-	1,353	9,086	-	-	6,344	-	92,169
513100	30,755	-	-	-	-	-	1,516	-	-	-	-	350	-	-	552	3,846	-	-	2,851	-	39,870
513900	64,009	-	-	-	-	-	3,145	-	-	-	-	855	-	-	1,362	8,400	-	-	5,141	-	82,912
514100	21,508	-	-	-	-	-	1,055	-	-	-	-	288	-	-	480	2,872	-	-	1,685	-	27,888
541100	70	-	-	-	-	-	3	-	-	-	-	1	-	-	2	10	-	-	5	-	91
551100	2,977	-	-	-	-	-	146	-	-	-	-	40	-	-	66	398	-	-	233	-	3,860
556900	1,032,865	-	-	-	-	-	50,821	-	-	-	-	12,430	-	-	20,078	132,728	-	-	90,746	-	1,339,668
560100	16,826	-	-	-	-	-	808	-	-	-	-	191	-	-	294	2,089	-	-	1,506	-	21,714

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by Servco Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
560900	429,241	-	-	-	-	-	21,108	-	-	-	-	5,079	-	-	8,146	54,787	-	-	38,272	-	556,633
561100	17,824	-	-	-	-	-	874	-	-	-	-	238	-	-	397	2,401	-	-	1,396	-	23,130
561190	75,533	-	-	-	-	-	10,176	-	-	-	-	2,775	-	-	4,629	28,236	-	-	16,252	-	137,601
561590	94,632	-	-	-	-	-	4,640	-	-	-	-	1,266	-	-	2,109	12,734	-	-	7,411	-	122,792
561601	4,008	-	-	-	-	-	196	-	-	-	-	54	-	-	89	544	-	-	314	-	5,205
561900	306,677	-	-	-	-	-	11,129	-	-	-	-	2,435	-	-	3,770	27,899	-	-	21,818	-	373,728
561901	217,646	-	-	-	-	-	7,715	-	-	-	-	1,767	-	-	2,806	19,968	-	-	14,562	-	264,464
562100	25,292	-	-	-	-	-	1,223	-	-	-	-	277	-	-	426	3,120	-	-	2,347	-	32,685
563100	8,432	-	-	-	-	-	416	-	-	-	-	103	-	-	156	1,050	-	-	753	-	10,910
566100	64,071	-	-	-	-	-	3,135	-	-	-	-	712	-	-	1,161	8,124	-	-	5,901	-	83,104
566900	11,903	-	-	-	-	-	548	-	-	-	-	137	-	-	222	1,538	-	-	961	-	15,309
570100	5,287	-	-	-	-	-	252	-	-	-	-	53	-	-	85	651	-	-	499	-	6,827
571100	12,758	-	-	-	-	-	627	-	-	-	-	152	-	-	257	1,676	-	-	1,107	-	16,577
573100	171	-	-	-	-	-	8	-	-	-	-	2	-	-	4	23	-	-	13	-	221
580100	945,181	-	-	-	-	-	43,020	-	-	-	-	11,023	-	-	18,008	124,343	-	-	73,540	-	1,215,115
580900	185,839	-	-	-	-	-	9,155	-	-	-	-	2,142	-	-	3,421	23,471	-	-	16,983	-	241,011
581900	308,888	-	-	-	-	-	14,674	-	-	-	-	3,628	-	-	5,868	39,294	-	-	25,958	-	398,310
582100	56	-	-	-	-	-	3	-	-	-	-	(1)	-	-	(1)	4	-	-	12	-	73
583001	1,785	-	-	-	-	-	79	-	-	-	-	(6)	-	-	(6)	172	-	-	285	-	2,309
583005	80,150	-	-	-	-	-	3,947	-	-	-	-	937	-	-	1,503	10,180	-	-	7,231	-	103,948
584005	11,450	-	-	-	-	-	564	-	-	-	-	134	-	-	215	1,454	-	-	1,033	-	14,850
586100	128,924	-	-	-	-	-	6,267	-	-	-	-	1,570	-	-	2,579	16,844	-	-	10,902	-	167,086
588100	518,277	-	-	-	-	-	25,372	-	-	-	-	6,150	-	-	9,974	66,628	-	-	45,571	-	671,972
588900	224,352	-	-	-	-	-	11,017	-	-	-	-	2,625	-	-	4,269	28,733	-	-	20,038	-	291,034
590100	2,173	-	-	-	-	-	107	-	-	-	-	29	-	-	48	294	-	-	170	-	2,821
590900	63	-	-	-	-	-	3	-	-	-	-	1	-	-	1	8	-	-	5	-	81
592100	5,174	-	-	-	-	-	198	-	-	-	-	54	-	-	90	701	-	-	316	-	6,533
593001	1,975	-	-	-	-	-	34	-	-	-	-	9	-	-	15	268	-	-	54	-	2,355
593002	18,107	-	-	-	-	-	887	-	-	-	-	242	-	-	403	2,458	-	-	1,417	-	23,514
593004	69,354	-	-	-	-	-	3,412	-	-	-	-	830	-	-	1,345	8,924	-	-	6,115	-	89,980
598100	1,367	-	-	-	-	-	62	-	-	-	-	17	-	-	28	183	-	-	98	-	1,755
814003	31	-	-	-	-	-	2	-	-	-	-	-	-	-	1	4	-	-	2	-	40
816100	307	-	-	-	-	-	16	-	-	-	-	(3)	-	-	(4)	24	-	-	67	-	407
874002	94	-	-	-	-	-	5	-	-	-	-	1	-	-	2	13	-	-	7	-	122
874005	31	-	-	-	-	-	2	-	-	-	-	-	-	-	1	4	-	-	2	-	40
880100	412,799	-	-	-	-	-	20,304	-	-	-	-	4,988	-	-	8,115	53,306	-	-	36,033	-	535,545
880900	86,007	-	-	-	-	-	4,235	-	-	-	-	1,005	-	-	1,619	10,958	-	-	7,750	-	111,574
886100	627	-	-	-	-	-	31	-	-	-	-	8	-	-	14	84	-	-	49	-	813
901001	835,937	-	-	-	-	-	41,054	-	-	-	-	10,130	-	-	16,423	107,870	-	-	72,688	-	1,084,102
901900	209,215	-	-	-	-	-	10,278	-	-	-	-	2,523	-	-	4,078	26,922	-	-	18,294	-	271,310
902001	49,327	-	-	-	-	-	2,425	-	-	-	-	584	-	-	943	6,314	-	-	4,385	-	63,978
903001	20,244	-	-	-	-	-	808	-	-	-	-	175	-	-	275	2,524	-	-	1,588	-	25,614
903006	1,721	-	-	-	-	-	58	-	-	-	-	16	-	-	26	234	-	-	93	-	2,148
903007	46,838	-	-	-	-	-	2,300	-	-	-	-	574	-	-	923	6,037	-	-	4,045	-	60,717
903008	250	-	-	-	-	-	12	-	-	-	-	3	-	-	6	33	-	-	20	-	324
903012	120,536	-	-	-	-	-	5,932	-	-	-	-	1,432	-	-	2,318	15,448	-	-	10,695	-	156,361
903022	65,236	-	-	-	-	-	3,204	-	-	-	-	850	-	-	1,412	8,586	-	-	5,135	-	84,463
903030	575,917	-	-	-	-	-	24,303	-	-	-	-	5,722	-	-	9,195	73,558	-	-	44,782	-	733,477
903031	88,615	-	-	-	-	-	4,247	-	-	-	-	1,034	-	-	1,672	11,394	-	-	7,610	-	114,572
903036	148	-	-	-	-	-	7	-	-	-	-	2	-	-	3	20	-	-	12	-	192
903902	20,339	-	-	-	-	-	953	-	-	-	-	244	-	-	398	2,670	-	-	1,632	-	26,236
903906	52,764	-	-	-	-	-	2,572	-	-	-	-	621	-	-	999	6,749	-	-	4,650	-	68,355
903907	4,221	-	-	-	-	-	144	-	-	-	-	20	-	-	37	513	-	-	340	-	5,275
903909	4,011	-	-	-	-	-	167	-	-	-	-	46	-	-	76	544	-	-	267	-	5,111
903912	169,068	-	-	-	-	-	8,171	-	-	-	-	1,952	-	-	3,139	21,546	-	-	14,887	-	218,763
903930	1,130,632	-	-	-	-	-	47,504	-	-	-	-	11,426	-	-	18,505	145,556	-	-	85,881	-	1,439,504
903931	2,476	-	-	-	-	-	100	-	-	-	-	16	-	-	28	307	-	-	226	-	3,153
903936	128,861	-	-	-	-	-	6,055	-	-	-	-	1,500	-	-	2,416	16,632	-	-	10,710	-	166,174
905001	195,145	-	-	-	-	-	9,603	-	-	-	-	2,339	-	-	3,776	25,042	-	-	17,206	-	253,111
907001	22,117	-	-	-	-	-	1,089	-	-	-	-	258	-	-	419	2,827	-	-	1,991	-	28,701
907900	101,375	-	-	-	-	-	4,998	-	-	-	-	1,106	-	-	1,774	12,648	-	-	9,632	-	131,533
908005	313,207	(8,915)	(1,378)	(450)	(2,731)	(14,583)	15,300	(1,325)	(1,510)	(19,882)	(2,223)	4,174	(30,645)	(1,188)	6,956	42,362	-	(660)	24,436	(100)	320,845
908901	121,403	-	-	-	-	-	5,975	-	-	-	-	1,456	-	-	2,334	15,531	-	-	10,729	-	157,428
910001	320,987	-	-	-	-	-	14,962	-	-	-	-	3,357	-	-	5,443	40,701	-	-	28,472	-	413,922
920001	9,441	-	-	-	-	-	476	-	-	-	-	12	-	-	(12)	797	-	-	1,515	-	12,229
920100	1,949,381	-	-	-	-	-	94,885	-	-	-	-	23,125	-	-	37,413	251,136	-	-	169,962	-	2,525,902
920900	11,142,730	-	-	-	-	-	543,061	-	-	-	-	132,911	-	-	214,660	1,431,850	-	-	969,236	-	14,434,448
920901	66,674	-	-	-	-	-	3,356	-	-	-	-	452	-	-	280	5,803	-	-	8,884	-	85,449
921002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,025	-	-	-	2,025
925002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,820	4,820
925004	31,142	-	-	-	-	-	1,534	-	-	-	-	364	-	-	583	3,948	-	-	2,812	-	40,383
925012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,090)	(1,090)

Attachment to Response to LGE KPSC-2 Question No. 127(b)

Scott

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by Servco Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Turtion	Unemployment	Vacation	Workers' Comp	Total
925022	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(82)	(82)
925025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
925026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(564)	(564)
925027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(451)	(451)
925902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,310	7,310
925912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,610)	(2,610)
925922	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(58)	(58)
926001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,233	-	-	-	30,233
926002	-	-	-	-	-	-	-	31,049	-	-	-	-	-	-	-	-	-	-	-	-	31,049
926003	-	-	-	-	-	-	-	-	-	1,085,640	4,457	-	-	-	-	-	-	-	-	-	1,090,097
926004	-	-	48,529	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,529
926005	-	-	-	-	-	-	-	-	20,990	-	-	-	-	-	-	-	-	-	-	-	20,990
926012	-	-	-	-	-	-	-	4,382	-	-	-	-	-	-	-	-	-	-	-	-	4,382
926013	-	-	-	-	-	-	-	-	-	40,176	8,478	-	-	-	-	-	-	-	-	-	48,654
926014	-	-	1,025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,025
926015	-	-	-	-	-	-	-	-	5,760	-	-	-	-	-	-	-	-	-	-	-	5,760
926019	-	-	-	-	-	-	-	-	-	-	236,050	-	-	-	-	-	-	-	-	-	236,050
926022	-	-	-	-	-	-	-	322	-	-	-	-	-	-	-	-	-	-	-	-	322
926023	-	-	-	-	-	-	-	-	-	2,932	294	-	-	-	-	-	-	-	-	-	3,226
926024	-	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70
926025	-	-	-	-	-	-	-	-	426	-	-	-	-	-	-	-	-	-	-	-	426
926100	-	-	-	-	-	-	-	-	-	-	6,760	-	-	-	-	-	-	-	-	-	6,760
926101	-	-	-	-	-	-	-	-	-	-	-	-	2,923,692	-	-	-	-	-	-	-	2,923,692
926102	-	545,852	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	545,852
926105	-	-	-	59,113	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,113
926106	-	-	-	-	235,219	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,219
926110	-	-	-	-	-	-	-	-	-	-	44,463	-	-	-	-	-	-	-	-	-	44,463
926116	-	-	-	-	-	-	-	-	-	-	-	-	-	72,964	-	-	-	-	-	-	72,964
926117	-	-	-	-	-	-	-	-	-	-	-	-	1,297,729	-	-	-	-	-	-	-	1,297,729
926118	-	-	-	-	107,536	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,536
926121	-	-	-	-	-	-	-	-	-	-	-	-	102,450	-	-	-	-	-	-	-	102,450
926122	-	(1,508)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,508)
926123	-	-	-	(3,682)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,682)
926124	-	-	-	-	13,635	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,635
926126	-	-	-	-	-	-	-	-	-	-	-	-	-	6,721	-	-	-	-	-	-	6,721
926127	-	-	-	-	-	-	-	-	-	-	-	-	7,700	-	-	-	-	-	-	-	7,700
926128	-	-	-	-	4,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,320
926131	-	-	-	-	-	-	-	-	-	-	-	-	7,541	-	-	-	-	-	-	-	7,541
926132	-	(158)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(158)
926133	-	-	-	(280)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(280)
926134	-	-	-	-	1,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,004
926136	-	-	-	-	-	-	-	-	-	-	-	-	-	501	-	-	-	-	-	-	501
926137	-	-	-	-	-	-	-	-	-	-	-	-	567	-	-	-	-	-	-	-	567
926138	-	-	-	-	318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318
926161	-	-	-	-	-	-	-	-	-	-	-	-	243	-	-	-	-	-	-	-	243
926162	-	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25)
926163	-	-	-	(13)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)
926164	-	-	-	-	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32
926166	-	-	-	-	-	-	-	-	-	-	-	-	-	19	-	-	-	-	-	-	19
926167	-	-	-	-	-	-	-	-	-	-	-	-	18	-	-	-	-	-	-	-	18
926168	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
926170	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-	-	-	-	-	-	10
926171	-	-	-	-	-	-	-	-	14	-	-	-	-	-	-	-	-	-	-	-	14
926172	-	-	-	-	-	-	-	-	-	84	4	-	-	-	-	-	-	-	-	-	88
926181	-	-	-	-	-	-	-	-	-	-	-	-	51,971	-	-	-	-	-	-	-	51,971
926182	-	(1,138)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,138)
926183	-	-	-	(1,942)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,942)
926184	-	-	-	-	6,917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,917
926186	-	-	-	-	-	-	-	-	-	-	-	-	-	3,456	-	-	-	-	-	-	3,456
926187	-	-	-	-	-	-	-	-	-	-	-	-	3,906	-	-	-	-	-	-	-	3,906
926188	-	-	-	-	2,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,191
926189	-	-	477	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	477
926190	-	-	-	-	-	-	-	2,219	-	-	-	-	-	-	-	-	-	-	-	-	2,219
926191	-	-	-	-	-	-	-	-	2,934	-	-	-	-	-	-	-	-	-	-	-	2,934
926192	-	-	-	-	-	-	-	-	-	20,180	2,098	-	-	-	-	-	-	-	-	-	22,278
926901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	155,012	-	-	-	155,012
926902	-	-	-	-	-	-	-	112,243	-	-	-	-	-	-	-	-	-	-	-	-	112,243
926903	-	-	-	-	-	-	-	-	-	1,663,669	-	-	-	-	-	-	-	-	-	-	1,663,669
926904	-	-	113,852	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	113,852
926905	-	-	-	-	-	-	-	-	128,658	-	-	-	-	-	-	-	-	-	-	-	128,658
926911	-	-	-	-	-	-	-	-	-	-	-	-	2,319,619	-	-	-	-	-	-	-	2,319,619
926912	-	729,790	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	729,790

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by Servco Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
926915	-	-	-	79,354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,354
926916	-	-	-	-	295,138	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	295,138
926917	-	-	-	-	-	-	-	-	-	-	-	-	69,419	-	-	-	-	-	-	-	69,419
926918	-	-	-	-	58,601	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	58,601
926919	-	-	-	-	-	-	-	-	-	-	70,362	-	-	-	-	-	-	-	-	-	70,362
926920	-	-	-	-	-	-	-	-	-	-	-	-	18,987	-	-	-	-	-	-	-	18,987
926921	-	-	-	-	10,656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,656
926922	-	-	-	-	-	-	-	10,835	-	-	-	-	-	-	-	-	-	-	-	-	10,835
926923	-	-	-	-	-	-	-	-	-	100,534	-	-	-	-	-	-	-	-	-	-	100,534
926924	-	-	2,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,841
926925	-	-	-	-	-	-	-	-	14,116	-	-	-	-	-	-	-	-	-	-	-	14,116
926926	-	-	-	-	-	-	-	-	-	-	-	-	252,663	-	-	-	-	-	-	-	252,663
926927	-	(971)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(971)
926929	-	-	-	(8,532)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,532)
926930	-	-	-	-	33,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,625
926932	-	-	-	-	-	-	-	230	-	-	-	-	-	-	-	-	-	-	-	-	230
926933	-	-	-	-	-	-	-	-	-	2,105	-	-	-	-	-	-	-	-	-	-	2,105
926934	-	-	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52
926935	-	-	-	-	-	-	-	-	304	-	-	-	-	-	-	-	-	-	-	-	304
926936	-	-	-	-	-	-	-	-	-	-	-	-	5,393	-	-	-	-	-	-	-	5,393
926937	-	(96)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(96)
926939	-	-	-	(197)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(197)
926940	-	-	-	-	718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	718
926941	-	-	-	-	-	-	-	-	-	-	-	-	405	-	-	-	-	-	-	-	405
926942	-	-	-	-	227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	227
926982	-	(977)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(977)
926983	-	-	372	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372
926984	-	-	-	-	5,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,506
926985	-	-	-	(1,560)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,560)
926986	-	-	-	-	-	-	-	1,766	-	-	-	-	-	-	-	-	-	-	-	-	1,766
926987	-	-	-	-	-	-	-	-	2,338	-	-	-	-	-	-	-	-	-	-	-	2,338
926988	-	-	-	-	-	-	-	-	-	16,024	-	-	-	-	-	-	-	-	-	-	16,024
926989	-	-	-	-	-	-	-	-	-	-	-	-	41,367	-	-	-	-	-	-	-	41,367
926990	-	-	-	-	-	-	-	-	-	-	-	-	-	122,329	-	-	-	-	-	-	122,329
926991	-	-	-	-	-	-	-	-	-	-	-	-	3,109	-	-	-	-	-	-	-	3,109
926992	-	-	-	-	1,744	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,744
935101	1,883	-	-	-	-	-	92	-	-	-	-	25	-	-	42	253	-	-	148	-	2,443
935391	358,140	-	-	-	-	-	17,599	-	-	-	-	4,212	-	-	6,754	45,599	-	-	32,049	-	464,353
935401	72,169	-	-	-	-	-	3,549	-	-	-	-	863	-	-	1,409	9,334	-	-	6,343	-	93,667
935488	2,831,569	-	-	-	-	-	137,111	-	-	-	-	34,118	-	-	55,549	366,950	-	-	240,688	-	3,665,985
Total	$ 34,022,493	$ 1,472,201	$ 196,022	$ 139,492	$ 917,443	$ 3,097,188	$ 1,643,009	$ 193,436	$ 209,165	$ 3,441,540	$ 425,112	$ 398,782	$ 8,342,409	$ 244,099	$ 643,122	$ 4,360,854	$ 186,552	$ 116,089	$ 2,953,685	$ 7,870	$ 63,010,563

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by KU Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
107001	$ 242,901	$ 9,054	$ 1,536	$ 2,249	$ 22,212	$ 22,934	$ 8,995	$ 1,439	$ 1,482	$ 25,122	$ 2,045	$ 2,007	$ 40,113	$ 876	$ 6,672	$ 20,843	$ -	$ 810	$ 18,339	$ (918)	$ 428,711
108901	4,111	-	-	-	-	358	-	-	-	-	-	-	-	-	-	318	-	7	-	-	4,794
408105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	514	-	-	514
408106	-	-	-	-	-	47,496	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,496
408107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	523	-	-	523
408115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135	-	-	135
408116	-	-	-	-	-	3,294	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,294
408117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77	-	-	77
408188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41	-	-	41
408189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-	-	23
408190	-	-	-	-	-	754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	754
546100	22,900	-	-	-	-	-	1,165	-	-	-	-	288	-	-	943	1,847	-	-	2,234	-	29,377
551100	36,641	-	-	-	-	-	1,750	-	-	-	-	422	-	-	1,396	2,985	-	-	3,397	-	46,591
552100	45,392	-	-	-	-	-	2,070	-	-	-	-	491	-	-	1,644	3,703	-	-	4,039	-	57,339
553100	90,224	-	-	-	-	-	3,493	-	-	-	-	830	-	-	2,830	7,236	-	-	6,733	-	111,346
554100	33,363	-	-	-	-	-	1,548	-	-	-	-	356	-	-	1,207	2,756	-	-	3,065	-	42,295
570100	64	-	-	-	-	-	3	-	-	-	-	1	-	-	3	5	-	-	6	-	82
580100	12,909	-	-	-	-	-	52	-	-	-	-	14	-	-	45	1,006	-	-	95	-	14,121
583001	22,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,718	-	-	-	-	23,775
590100	1,907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149	-	-	-	-	2,056
593001	981	-	-	-	-	-	23	-	-	-	-	6	-	-	20	76	-	-	42	-	1,148
593002	79,254	-	-	-	-	-	293	-	-	-	-	80	-	-	253	6,161	-	-	530	-	86,571
593003	388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	-	-	-	-	418
593004	7,433	-	-	-	-	-	69	-	-	-	-	19	-	-	60	579	-	-	126	-	8,286
595100	668	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52	-	-	-	-	720
903030	2,473	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196	-	-	-	-	2,669
903930	352	-	-	-	-	-	18	-	-	-	-	5	-	-	15	26	-	-	32	-	448
903931	978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76	-	-	-	-	1,054
910001	105,159	-	-	-	-	-	4,363	-	-	-	-	1,108	-	-	3,629	8,424	-	-	8,200	-	130,883
920100	438	-	-	-	-	-	22	-	-	-	-	6	-	-	19	33	-	-	40	-	558
920900	9,087	-	-	-	-	-	378	-	-	-	-	83	-	-	291	741	-	-	760	-	11,340
925002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,010	5,010
925012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(905)	(905)
925026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(165)	(165)
926001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	975	-	-	-	975
926002	-	-	-	-	-	-	-	2,385	-	-	-	-	-	-	-	-	-	-	-	-	2,385
926003	-	-	-	-	-	-	-	-	-	55,408	-	-	-	-	-	-	-	-	-	-	55,408
926004	-	-	3,423	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,423
926005	-	-	-	-	-	-	-	-	2,428	-	-	-	-	-	-	-	-	-	-	-	2,428
926012	-	-	-	-	-	-	-	258	-	-	-	-	-	-	-	-	-	-	-	-	258
926013	-	-	-	-	-	-	-	-	-	2,636	98	-	-	-	-	-	-	-	-	-	2,734
926014	-	-	74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74
926015	-	-	-	-	-	-	-	-	243	-	-	-	-	-	-	-	-	-	-	-	243
926019	-	-	-	-	-	-	-	-	-	-	5,092	-	-	-	-	-	-	-	-	-	5,092
926101	-	-	-	-	-	-	-	-	-	-	-	-	92,282	-	-	-	-	-	-	-	92,282
926102	-	17,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,589
926105	-	-	-	1,077	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,077
926106	-	-	-	-	19,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,812
926116	-	-	-	-	-	-	-	-	-	-	-	-	-	2,366	-	-	-	-	-	-	2,366
926117	-	-	-	-	-	-	-	-	-	-	-	-	14,733	-	-	-	-	-	-	-	14,733
926118	-	-	-	-	22,504	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,504
926121	-	-	-	-	-	-	-	-	-	-	-	-	3,707	-	-	-	-	-	-	-	3,707
926122	-	1,305	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,305
926123	-	-	-	1,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,042
926124	-	-	-	-	1,571	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,571
926126	-	-	-	-	-	-	-	-	-	-	-	-	-	26	-	-	-	-	-	-	26
926127	-	-	-	-	-	-	-	-	-	-	-	-	(1,467)	-	-	-	-	-	-	-	(1,467)
926128	-	-	-	-	1,929	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,929
926181	-	-	-	-	-	-	-	-	-	-	-	-	704	-	-	-	-	-	-	-	704
926182	-	215	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	215
926183	-	-	-	322	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	322
926184	-	-	-	-	297	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	297
926186	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	-	-	-	-	-	-	(6)
926187	-	-	-	-	-	-	-	-	-	-	-	-	(279)	-	-	-	-	-	-	-	(279)
926188	-	-	-	-	365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	365

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by KU Employees to LG&E

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Inc	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
926189	-	-	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(18)
926190	-	-	-	-	-	-	-	54	-	-	-	-	-	-	-	-	-	-	-	-	54
926191	-	-	-	-	-	-	-	-	51	-	-	-	-	-	-	-	-	-	-	-	51
926192	-	-	-	-	-	-	-	-	-	339	(11)	-	-	-	-	-	-	-	-	-	328
935391	162,262	-	-	-	-	-	7,478	-	-	-	-	1,817	-	-	5,997	13,259	-	-	14,456	-	205,269
935488	5,743	-	-	-	-	-	280	-	-	-	-	79	-	-	251	447	-	-	526	-	7,336
Total	$ 887,685	$ 28,163	$ 5,015	$ 4,690	$ 68,690	$ 74,836	$ 32,010	$ 4,136	$ 4,204	$ 83,505	$ 7,224	$ 7,612	$ 149,793	$ 3,262	$ 25,275	$ 72,666	$ 975	$ 2,130	$ 62,620	$ 3,022	$ 1,527,513

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by LG&E Employees to KU

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Income	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
107001	$ 1,319,505	$ 52,050	$ 8,952	$ 2,403	$ 168,211	$ 111,899	$ 55,892	$ 6,200	$ 6,494	$ 151,974	$ 17,723	$ 9,508	$ 465,247	$ 7,262	$ 30,800	$ 108,438	$ -	$ 2,555	$ 102,241	$ 20,136	$ 2,647,490
108901	22,150	982	168	54	3,199	1,902	1,058	114	112	2,876	355	178	9,040	135	605	1,823	-	48	1,938	391	47,128
184307	19,441	901	151	15	2,929	1,625	975	108	111	2,604	303	163	7,778	126	538	1,606	-	37	1,781	349	41,541
184319	6,374	298	50	5	969	533	323	36	37	861	100	54	2,565	42	178	527	-	12	590	115	13,669
184612	4,515	192	18	(94)	724	334	250	25	16	519	63	37	1,700	34	131	431	-	7	447	68	9,417
186201	92	5	1	1	-	8	5	1	1	13	1	1	8	1	2	7	-	-	8	2	157
408105	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	636	-	-	636
408106	-	-	-	-	-	66,955	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,955
408107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	632	-	-	632
408115	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13)	-	-	(13)
408116	-	-	-	-	-	1,872	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,872
408117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34	-	-	34
408188	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)	-	-	(4)
408190	-	-	-	-	-	28	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28
426501	916	-	-	-	-	76	-	-	-	-	-	-	-	-	-	71	-	1	-	-	1,064
500900	1,079	-	-	-	-	-	60	-	-	-	-	9	-	-	27	97	-	-	107	-	1,379
510100	2,665	-	-	-	-	-	132	-	-	-	-	24	-	-	66	207	-	-	242	-	3,336
513100	344	-	-	-	-	-	12	-	-	-	-	2	-	-	6	27	-	-	23	-	414
548100	154,895	-	-	-	-	-	7,101	-	-	-	-	1,188	-	-	3,862	12,847	-	-	12,968	-	192,861
551100	1,955	-	-	-	-	-	96	-	-	-	-	26	-	-	44	261	-	-	153	-	2,535
553100	135,974	-	-	-	-	-	5,960	-	-	-	-	982	-	-	3,102	11,489	-	-	10,852	-	168,359
556900	94	-	-	-	-	-	5	-	-	-	-	1	-	-	2	7	-	-	9	-	118
560900	124	-	-	-	-	-	8	-	-	-	-	1	-	-	3	13	-	-	13	-	162
562100	1,800	-	-	-	-	-	65	-	-	-	-	12	-	-	32	140	-	-	118	-	2,167
566900	48	-	-	-	-	-	0	-	-	-	-	-	-	-	-	6	-	-	-	-	54
573100	525	-	-	-	-	-	26	-	-	-	-	5	-	-	13	41	-	-	48	-	658
580100	54,282	-	-	-	-	-	330	-	-	-	-	60	-	-	165	4,226	-	-	606	-	59,669
583001	3,489	-	-	-	-	-	-	-	-	-	-	-	-	-	-	272	-	-	-	-	3,761
590100	6,571	-	-	-	-	-	0	-	-	-	-	-	-	-	-	512	-	-	-	-	7,083
592100	172	-	-	-	-	-	8	-	-	-	-	1	-	-	6	15	-	-	15	-	217
593002	347,864	-	-	-	-	-	184	-	-	-	-	33	-	-	92	27,081	-	-	338	-	375,592
595100	31,160	-	-	-	-	-	1,553	-	-	-	-	264	-	-	849	2,589	-	-	2,835	-	39,250
903930	116	-	-	-	-	-	6	-	-	-	-	1	-	-	3	9	-	-	11	-	146
908005	-	(9)	(2)	(2)	(24)	(15)	-	(1)	(2)	(24)	(3)	-	(91)	(2)	-	-	-	-	-	(3)	(178)
910001	34,748	-	-	-	-	-	1,032	-	-	-	-	180	-	-	498	2,787	-	-	1,882	-	41,127
920100	1,500	-	-	-	-	-	73	-	-	-	-	13	-	-	41	121	-	-	133	-	1,881
920900	4,088	-	-	-	-	-	180	-	-	-	-	33	-	-	105	335	-	-	330	-	5,071
925002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,287	6,287
925004	39,040	-	-	-	-	-	1,370	-	-	-	-	225	-	-	714	3,259	-	-	2,502	-	47,110
925012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	590	590
925026	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	10
926002	-	-	-	-	-	-	-	1,869	-	-	-	-	-	-	-	-	-	-	-	-	1,869
926003	-	-	-	-	-	-	-	-	-	46,687	60	-	-	-	-	-	-	-	-	-	46,747
926004	-	-	2,795	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,795
926005	-	-	-	-	-	-	-	-	2,106	-	-	-	-	-	-	-	-	-	-	-	2,106
926012	-	-	-	-	-	-	-	256	-	-	-	-	-	-	-	-	-	-	-	-	256
926013	-	-	-	-	-	-	-	-	-	3,082	414	-	-	-	-	-	-	-	-	-	3,496
926014	-	-	131	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131
926015	-	-	-	-	-	-	-	-	232	-	-	-	-	-	-	-	-	-	-	-	232
926019	-	-	-	-	-	-	-	-	-	-	4,956	-	-	-	-	-	-	-	-	-	4,956
926101	-	-	-	-	-	-	-	-	-	-	-	-	124,800	-	-	-	-	-	-	-	124,800
926102	-	15,736	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,736
926105	-	-	-	1,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,669
926106	-	-	-	-	19,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,609
926116	-	-	-	-	-	-	-	-	-	-	-	-	-	2,190	-	-	-	-	-	-	2,190
926117	-	-	-	-	-	-	-	-	-	-	-	-	10,447	-	-	-	-	-	-	-	10,447
926118	-	-	-	-	30,436	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,436
926121	-	-	-	-	-	-	-	-	-	-	-	-	7,592	-	-	-	-	-	-	-	7,592
926122	-	1,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,625
926123	-	-	-	(1,311)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,311)
926124	-	-	-	-	2,112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,112

Louisville Gas and Electric Company
Case No. 2009-00549
Salaries and Payroll Overheads by Account
For Services Provided by LG&E Employees to KU

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Account	Labor	401(k)	Dental	FASB 112	FASB 106	FICA	Holiday	Life	LT Disability	Medical	Misc	Other Off Duty	Pension	Retirement Income	Sick	TIA	Tuition	Unemployment	Vacation	Workers' Comp	Total
926126	-	-	-	-	-	-	-	-	-	-	-	-	-	215	-	-	-	-	-	-	215
926127	-	-	-	-	-	-	-	-	-	-	-	-	(4,200)	-	-	-	-	-	-	-	(4,200)
926128	-	-	-	-	3,521	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,521
926181	-	-	-	-	-	-	-	-	-	-	-	-	327	-	-	-	-	-	-	-	327
926182	-	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60
926183	-	-	-	(117)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(117)
926184	-	-	-	0	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91
926186	-	-	-	-	-	-	-	-	-	-	-	-	-	14	-	-	-	-	-	-	14
926187	-	-	-	-	-	-	-	-	-	-	-	-	(181)	-	-	-	-	-	-	-	(181)
926188	-	-	-	-	152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	152
926189	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
926190	-	-	-	-	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	-	12
926191	-	-	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-	-	-	-	11
926192	-	-	-	-	-	-	-	-	-	77	6	-	-	-	-	-	-	-	-	-	83
935391	189,538	-	-	-	-	-	9,112	-	-	-	-	1,527	-	-	4,952	15,707	-	-	16,655	-	237,491
935488	187	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16	-	-	-	-	203
Total	$ 2,385,251	$ 71,840	$ 12,260	$ 2,623	$ 231,929	$ 185,217	$ 85,816	$ 8,620	$ 9,118	$ 208,669	$ 23,978	$ 14,528	$ 625,032	$ 10,017	$ 46,836	$ 194,967	$ -	$ 3,945	$ 156,845	$ 27,945	$ 4,305,436

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2009-00549

Response to Second Data Request of Commission Staff
Dated March 1, 2010

Question No. 128

Responding Witness: Shannon L. Charnas

Q-128. Refer to the response to Item 31 of Staff's First Request.

a. For the test year and the three prior calendar years, provide the annual expense reported by LG&E for contracted labor for the following services. If possible, separate the amounts in each category by vendor name.

(1) Vegetation Management.
(2) Meter Reading.
(3) Maintenance Contracts.
(4) Temporary Clerical/Account Services.
(5) Temporary Legal.

b. Explain how LG&E selects the contractors providing the services listed in a. and how it insures that it is securing a competitive market-based cost.

A-128. a. See attached. The Temporary Legal category includes all legal expenses. The Company is not able to segregate temporary from total legal expenses.

b. Contractors are selected as a result of a competitive bid process. This process includes:

- Developing a well defined scope of work
- Determining the timeframe over which this work will be performed
- Identifying the qualified contractors capable of performing the work
- Developing a Request For Quotation (RFQ) that includes all technical and commercial requirements and expectations. Pricing can be requested in a number of ways based on the scope of work, but will always include a comprehensive breakdown of the contractors overhead costs, not just hourly rates
- Soliciting responses to that RFQ from the contractors identified above
- Developing an evaluation criteria for analyzing the responses
- Analyzing the responses consistent with the evaluation criteria

- Conducting follow-up meetings on all or a short list of the contractors providing responses to clarify the submittals and/or negotiate alternates to the original submittal
- Developing an award recommendation that is presented and approved to the appropriate level of management
- Award of the work to the recommended contractor(s)

To ensure we are getting the best pricing, we

- Do a comprehensive analysis of the contractors cost structure and negotiate out aspects we believe do not add value
- Attempt to lock in pricing for the term of the contract that we feel should remain firm
- Isolate those cost aspects that are more volatile and agree to routine reviews - but offer no guarantee to change (i.e. Fuel)
- Offer no guarantee of work
- Reserve the right to competitively bid individual scopes of work
- Conduct routine performance review meetings with contractors performing key work

LOUISVILLE GAS AND ELECTRIC COMPANY
CONTRACTED LABOR

SERVICE	Test Year	2008	2007	2006
Vegetation Management	4,672,785.17	5,216,315.72	6,948,852.35	6,037,950.13
Storm Damage	6,288,650.24	4,391,914.12	6,478,838.85	8,742,963.84
Meter Reading	4,937,116.81	4,899,786.38	4,373,684.60	4,451,428.47
Maintenance Contracts	23,805,196.18	25,492,085.79	14,146,129.68	12,198,733.54
Temporary Clerical/Accounting Services	2,109,048.18	2,946,434.66	1,533,699.43	1,439,163.94
Temporary Legal	2,827,870.18	1,872,824.08	3,178,209.86	2,586,961.40
Total	44,640,666.76	44,819,360.75	36,659,414.77	35,457,201.32
Vegetation Management by Vendor				
Allen, Samuel E	0.00	0.00	0.00	470.00
Asplundh Tree Expert Co	544,464.88	570,419.38	666,919.19	580,750.20
Environmental Consultants Inc	0.00	0.00	4,940.80	6,471.20
Environmental Consultants Inc (Forestry)	55,799.58	81,662.69	47,749.39	63,909.77
Nelson Tree Service Inc	1,884,652.04	2,226,616.83	2,751,831.44	2,772,745.39
Phillips Tree Experts Inc	0.00	50,008.63	8,667.90	259.93
Pro Turf Inc	0.00	0.00	167,232.02	167,574.86
Townsend Tree Service Company Inc	1,253,936.23	1,701,929.10	2,569,051.17	2,445,768.78
Wright Tree Service Inc	933,932.44	585,679.09	732,460.44	0.00
Total Vegetation Management by Vendor	4,672,785.17	5,216,315.72	6,948,852.35	6,037,950.13
Storm Damage by Vendor				
A And M Oil Co	28,750.00	35,063.75	0.00	0.00
Abel Construction Company Inc	43,892.75	44,678.99	9,917.54	72,654.45
Accu Read Services	51,821.04	0.00	0.00	0.00
Advanced Utility Service Inc	0.00	188,281.16	0.00	0.00
Aerotek Inc	25,870.92	0.00	0.00	0.00
Aetna Building Maintenance Inc	9,311.50	0.00	0.00	0.00
Alabama Power Company	1,341,453.60	0.00	0.00	0.00
Albert Oil Co Inc	51,975.00	28,205.00	0.00	0.00
Allegheny Power	2,180,389.89	1,568,130.61	0.00	0.00
Ameren UE	567,933.90	0.00	0.00	0.00
Asplundh Tree Expert Co	116,972.66	62,075.70	0.00	0.00
Axxis Inc	1,796.25	0.00	0.00	0.00
B And B Electric Co Inc	0.00	81,725.53	1,334.52	1,477.55
Baltimore Gas And Electric Co	2,041,415.61	0.00	0.00	0.00
Bargersville Utilities	5,459.55	5,459.55	0.00	0.00
Bbc Electrical Services Inc	1,118,164.85	1,118,164.85	0.00	0.00
Big Sandy Rural Electric Co-Op Corp	0.00	15,616.47	0.00	0.00
Bluegrass Central Construction	0.00	109,502.84	0.00	0.00
Bluegrass Energy Cooperative Corporation	20,457.13	20,457.13	0.00	0.00
Bob Ray Co Inc	440.00	500.00	0.00	0.00
Bowlin Energy Llc	237,869.81	0.00	0.00	0.00
Bowlin Group Llc	216,300.87	640,211.75	96,628.26	0.00
Bray Electric Services Inc	117,523.53	202,557.65	0.00	0.00
Brownstown Electric Supply Co Inc	93,635.83	95,302.94	123,308.43	25,734.88
Butler Flooring Services Llc	5,789.00	0.00	0.00	0.00
C & S H Inc	3,486.00	1,562.13	0.00	0.00
C E Power Solutions Llc	130,548.69	59,239.88	0.00	0.00
Cardinal Tool Supply Inc	2,925.50	0.00	0.00	0.00
Catering Cajun Inc	673,527.68	0.00	0.00	0.00
City Lights Electrical Co Inc	856,787.77	0.00	0.00	0.00
City Of Linton	2,793.11	2,793.11	0.00	0.00
City Of Winter Park	17,699.15	17,699.15	0.00	0.00
Clark Energy Cooperative	5,527.44	5,527.44	0.00	0.00

Colours 2000	11,140.00	7,226.00	0.00	0.00
Comed	877,843.61	0.00	0.00	0.00
Commercial Furniture Services	2,880.00	0.00	0.00	0.00
Commercial Works	17,665.60	0.00	0.00	0.00
Connecticut Light And Power Co	1,644,975.30	0.00	0.00	0.00
Coxs Contract Dozer Work	600.00	0.00	0.00	0.00
Coy Landscaping And Grading Inc	1,409.60	1,591.45	1,860.80	4,265.00
Cumberland Valley Rural Electric	69,865.41	69,865.41	0.00	0.00
CW Wright Construction Co Inc	830,605.20	0.00	0.00	0.00
D B Electric	0.00	0.00	0.00	27,208.00
Davis Electronics Company Inc	1,582.58	0.00	0.00	0.00
Davis H Elliot Company Inc	565,188.23	750,496.11	105,156.21	270,827.19
Dayton Power And Light Co	244,029.86	0.00	0.00	0.00
Delta Services Llc	237,068.07	61,242.47	0.00	14,102.86
Design Collaborative Inc	5,912.50	0.00	0.00	0.00
Dillard Smith Construction Company	0.00	124,461.59	0.00	43,710.91
Diversified Services Inc	0.00	101,976.00	0.00	0.00
E And R Inc	0.00	491,230.70	0.00	0.00
Ecken Technical Services	9,223.39	5,883.84	0.00	0.00
Electric Service Co Ltd	0.00	0.00	0.00	66,319.97
Emergency Disaster Services	2,105,029.94	0.00	0.00	0.00
Empire District Electric Company	438,576.13	438,576.13	0.00	0.00
Energy Economics Inc	142,455.33	92,808.11	0.00	0.00
Entergy Gulf States La Llc	6,378.62	0.00	0.00	0.00
Entergy Louisiana Llc	13,819.09	0.00	0.00	0.00
Entergy New Orleans Inc	7,495.36	0.00	0.00	0.00
Environmental Consultants Inc (Forestry)	63,060.51	28,134.38	0.00	0.00
Ermco	20,160.00	0.00	0.00	0.00
Ertel Construction Inc	1,152,861.15	0.00	0.00	0.00
Evans Construction Co Inc	84,370.00	108,601.74	0.00	0.00
Falco Electric Inc	0.00	1,655.20	0.00	0.00
First Energy	1,208,493.79	0.00	0.00	0.00
Fishel Co	927,319.31	611,551.79	863,722.59	1,304,662.58
Fleming Mason Energy	0.00	17,414.41	0.00	0.00
Frankfort City Light Power	20,897.85	20,897.85	0.00	0.00
Frankfort Plant Board	33,487.71	33,487.71	0.00	0.00
Gainesville Regional Utilities	182,150.31	182,150.31	0.00	0.00
Georgia Power Company	4,513,181.22	76,971.48	0.00	0.00
Grayson Rural Electric Cooperative Corp	0.00	1,173.50	0.00	0.00
Gregory Electric	94,419.81	94,419.81	0.00	0.00
Gregory Electric Company Inc	418,625.09	0.00	0.00	0.00
Hall Contracting Of Kentucky Inc	633,433.55	1,239,223.28	1,192,080.92	1,309,804.83
Hamby Construction Inc	0.00	0.00	893.11	0.00
Haynes Electric Utility Corporation	388,650.96	0.00	0.00	0.00
Henderson Services Llc	32,603.29	0.00	0.00	0.00
Hendrix Electric Inc	0.00	0.00	84,993.90	44,699.94
Henkels And Mccoy Inc	618,841.53	82,550.38	0.00	47,322.82
Indianapolis Power And Light	0.00	0.00	0.00	64,015.78
Inter County Energy Cooperative Corporation	0.00	14,674.52	0.00	0.00
J Y Legner Associates Inc	125,469.34	42,585.72	0.00	0.00
Jackson Energy Cooperative Corporation	46,038.76	46,038.76	0.00	0.00
JEA	463,520.59	463,520.59	0.00	0.00
JF Electric Inc	9,705.72	89,318.29	0.00	0.00
JP Morgan Chase Bank	36,257.25	57,068.20	0.00	0.00
Just Engineering And Inspection Services	679,950.94	722,240.89	0.00	0.00
KCPL	115,976.49	115,976.49	0.00	0.00
Kentucky State Treasurer	85,195.16	1,156.88	0.00	0.00
Le Myers	0.00	140,156.08	0.00	0.00
Link Electric Co Inc	22,287.02	22,287.02	0.00	0.00

Logansport Utilities	20,702.42	20,702.42	0.00	0.00
Marine Electric Co Inc	168,123.81	168,123.81	0.00	0.00
Mastersons	0.00	20,842.00	0.00	0.00
Mcjunkin Red Man Corporation	416.76	0.00	0.00	0.00
Meade Electric Co Inc	408,762.75	0.00	0.00	0.00
Michels Power	95,129.46	95,129.46	0.00	0.00
Miller Construction Company Inc	0.00	0.00	0.00	49,830.04
Miller Pipeline Corp	830,978.77	297,902.52	0.00	0.00
Moore Security Llc	19,976.17	7,985.59	0.00	0.00
Nashville Electrical Service	416,965.39	416,965.39	0.00	0.00
Nelson Tree Service Inc	1,807,070.47	1,175,739.61	0.00	0.00
Newkirk Electric Associates Inc	0.00	0.00	0.00	39,196.15
Nixon Power Services	1,464.55	0.00	0.00	0.00
Nolin RECC	0.00	104,623.18	0.00	0.00
Off Duty Police Services Inc	131,082.51	106,025.50	0.00	0.00
Office Resources Inc	1,900.00	0.00	0.00	0.00
Ops Plus Inc	874,226.80	713,836.56	920,399.10	2,255,579.60
Oracle Elevator Co	1,125.00	0.00	0.00	0.00
Phillips Tree Experts Inc	510,638.57	359,664.81	0.00	0.00
Pieperline	0.00	82,454.62	0.00	0.00
Pike Electric Inc	6,283,741.09	3,633,224.01	1,926,415.48	2,567,274.48
Pro Turf Inc	52,178.04	27,098.04	0.00	0.00
Progress Energy Carolinas Inc	1,297,589.77	0.00	0.00	0.00
PS Energy Group Inc	19,166.20	0.00	0.00	0.00
Public Service Of New Hampshire	377,239.33	0.00	0.00	0.00
R And K Contracting Llc	30,180.79	29,939.08	0.00	0.00
Remedy Intelligent Staffing	0.00	5,324.53	0.00	0.00
Rogers Group Inc	4,052.76	4,052.76	0.00	0.00
Rumpke Of Kentucky Inc	716.78	0.00	0.00	0.00
Salt River Electric	0.00	95,731.73	0.00	0.00
Sanger Crane Service Llc	0.00	440.00	0.00	0.00
Schnell Contractors Inc	3,980.00	0.00	0.00	0.00
Scottsburg Municipal Electric Utility	3,300.00	20,993.11	0.00	0.00
Securitas Security Services Usa Inc	4,349.65	0.00	0.00	0.00
Serco Inc	274,640.98	132,049.95	14,868.59	55,324.78
Serco Management Services Inc	0.00	0.00	0.00	644.44
Solomon Corp	22,500.00	0.00	0.00	0.00
Southern Company	387.96	0.00	0.00	0.00
Southern Cross Corp	75,825.29	51,601.81	0.00	0.00
Southern Pipeline Const Co	101,308.31	1,096.50	88,296.82	67,747.82
SPE Utility Contractors Llc	2,358,680.05	0.00	0.00	0.00
Steves Tower Service Inc	9,891.00	0.00	0.00	0.00
Stoll Construction And Paving Co Inc	270.58	0.00	0.00	0.00
Sumter Utilities Inc	2,087,429.68	570,668.56	0.00	0.00
Synergetic Design Inc	620,501.27	0.00	0.00	0.00
Tamplin & Co	1,024.25	0.00	0.00	0.00
Thompson Electric Inc	771,680.22	0.00	0.00	0.00
Todays Office Professionals	57,682.98	0.00	0.00	0.00
Towels And More Solutions Inc	4,100.00	0.00	0.00	0.00
Townsend Tree Service Company Inc	1,593,208.11	1,238,553.63	0.00	0.00
Transformer Decommissioning Lcc	1,218.00	0.00	0.00	0.00
Tru Check Inc	51,893.41	37,128.33	0.00	0.00
United Electric Co Inc	1,074,960.46	1,102,763.42	1,042,138.47	410,559.77
Utec Construction Inc	374,910.87	232,148.27	0.00	0.00
Utility Lines Construction Services Inc	64,980.44	0.00	0.00	0.00
Vectren Energy Delivery	52,519.24	52,519.24	0.00	0.00
Ventourus Ltd	21,620.00	0.00	0.00	0.00
Waste Management Of Kentucky Llc	12,327.35	0.00	0.00	0.00
Westar Energy Inc	242,748.69	0.00	0.00	0.00

Western Massachusetts Electric Co	317,899.90	0.00	0.00	0.00
William E Groves Construction Inc	0.00	9,817.52	6,824.11	0.00
Williams Electric Company	288,346.57	0.00	0.00	0.00
Wolf Tree Inc	267,344.07	66,202.59	0.00	0.00
Wright Tree Service Inc	1,526,133.99	653,587.26	0.00	0.00
Xtreme Powerline Construction Inc	1,160,616.27	0.00	0.00	0.00
Regulatory Asset - Wind Storm	(11,559,435.43)	(17,804,390.41)	0.00	0.00
Regulatory Asset - Winter Storm	(38,134,842.31)	0.00	0.00	0.00
Total Storm Damage by Vendor	6,288,650.24	4,391,914.12	6,478,838.85	8,742,963.84
Meter Reading by Vendor				
Accu Read Services	3,224,124.79	3,357,106.42	2,907,774.61	2,800,359.62
Tru Check Inc	1,712,992.02	1,542,679.96	1,465,909.99	1,651,068.85
Total Meter Reading by Vendor	4,937,116.81	4,899,786.38	4,373,684.60	4,451,428.47
Maintenance Contracts by Vendor				
A And A Mechanical Inc	105,562.81	126,197.61	0.00	0.00
A And D Constructors Inc	349,995.68	440,691.69	0.00	0.00
A And T Industrial Services Inc	935,100.63	521,292.65	0.00	0.00
Aastra USA Inc	0.00	1,453.60	0.00	0.00
Advantica Inc	0.00	0.00	0.00	6,934.79
Aetna Building Maintenance Inc	0.00	0.00	377.20	934.00
Alg Software	0.00	0.00	0.00	10,014.97
Alstom Power Air Preheater	3,551.91	3,402.00	0.00	0.00
Alstom Power Inc	148,991.28	508,871.34	0.00	0.00
American Roofing And Metal Co Inc	28,000.00	28,000.00	0.00	0.00
American Scale Corp	3,011.75	1,294.50	0.00	0.00
Associated Railroad Contractors Inc	3,309.71	13,485.44	0.00	0.00
Assured Asset Protection Inc	342,889.85	267,746.16	0.00	0.00
Atlas Machine And Supply Inc	289,627.33	321,535.60	0.00	0.00
Avaya Inc	112,230.59	117,715.46	63,684.30	60,530.31
B And B Electric Co Inc	5,744.61	8,086.99	0.00	0.00
Barts Lawn Service	0.00	1,015.00	0.00	0.00
Beacon Pointe Corp	0.00	41,765.42	2,913.06	0.00
Bray Electric Services Inc	144,298.41	138,263.97	166,087.08	224,654.39
C E Power Solutions Llc	949,239.42	853,768.48	684,657.94	0.00
Charah Inc	16,089.38	11,712.76	26,763.61	25,824.64
Conam Inspection And Engineering Services Inc	96,376.90	217,856.29	0.00	0.00
Concrete Coring & Cutting	0.00	68.00	0.00	0.00
Construction 2000 Inc	315,258.86	449,724.42	0.00	0.00
Crane America Services Inc	76,267.65	70,130.10	0.00	0.00
Data Processing Sciences Corp	0.00	0.00	130.54	0.00
Davis H Elliot Company Inc	99,764.54	52,306.30	0.00	0.00
Dll Solutions Inc	0.00	0.00	989.60	0.00
Document Control Systems Inc	12,054.17	2,445.83	19,778.96	53,460.00
Donnie Jones Lawn Care Llc	515.19	549.63	0.00	0.00
Duncan Machinery Movers Inc	4,910.00	0.00	0.00	0.00
Ecken Technical Services	0.00	1,479.60	10,937.14	1,100.78
Eco Electric Llc	1,171.94	0.00	0.00	0.00
Emerson Process Management Lllp	0.00	2,065.00	0.00	0.00
Energy Economics Inc	277,593.37	307,045.80	156,558.82	69,082.66
Enspiria Solutions Inc	0.00	0.00	65,942.34	0.00
Evans Construction Co Inc	3,151,838.67	2,893,503.16	2,867,239.76	3,050,859.87
Falco Electric Inc	2,895.04	6,744.29	0.00	0.00
Fishel Co	1,210,743.52	1,115,580.31	0.00	0.00
Fuellgraf Chimney And Tower Inc	4,471.50	0.00	0.00	0.00
G And G Utility Construction Inc	0.00	0.00	0.00	312.23
GE Energy Management Services Inc	0.00	0.00	0.00	2,500.00
Geoghegan Roofing	8,706.25	14,618.25	0.00	0.00

Harshaw Trane Services	9,818.85	15,401.81	0.00	0.00
Highland Roofing Co Inc	5,396.00	0.00	0.00	0.00
Huntington Testing And Technology Inc	2,789.05	17,306.54	0.00	0.00
Hussung Mechanical Contractors Inc	0.00	3,384.22	0.00	0.00
Incorp Inc	185,227.00	181,515.00	0.00	0.00
Industrial Tube Cleaning Inc	29,680.00	27,762.50	0.00	0.00
Information Intellect Inc	0.00	0.00	2,160.00	0.00
Intermec Technologies Corp	0.00	0.00	718.49	0.00
Itron Inc	2,643.64	4,500.00	8,749.49	9,969.33
Ivey Mechanical Llc	25,182.58	0.00	0.00	0.00
Kessinger Service Industries Llc	0.00	7,051.90	0.00	0.00
Larrys Heating And A C Service Inc	84.07	0.00	0.00	0.00
Leveelift Inc	0.00	20,095.31	0.00	0.00
Liebert Global Services	0.00	0.00	18,390.67	16,298.91
Louisville And Jefferson County Metropolitan	0.00	186.00	0.00	0.00
Louisville Sealcoat Co Inc	0.00	4,870.00	0.00	0.00
Matrix Integration Llc	0.00	46,201.68	45,770.92	45,377.82
Mechanical Construction Services Inc	699,913.79	798,395.31	1,096,930.66	679,205.13
Mechanical Dynamics And Analysis Llc	374,865.82	1,998,380.70	42,911.83	23,310.60
Meiners Electric	102,615.53	201,178.24	0.00	0.00
Meteorlogix Llc	0.00	0.00	2,775.00	2,700.00
Midwest Switchgear Services Llc	24,365.00	8,383.75	0.00	0.00
Miller Pipeline Corp	3,942,380.66	3,245,774.93	2,821,822.86	1,493,043.09
Moore Security Llc	33,213.22	81,404.23	85,605.89	96,591.58
Motorola	0.00	0.00	0.00	1,216.60
MPW Industrial Services Inc	74,991.38	312,799.59	0.00	0.00
Murphy Elevator Co Inc	149,459.21	114,886.00	0.00	0.00
National Environmental Contracting Inc	577,850.15	787,291.81	581,792.34	746,283.43
Net IQ Corp	0.00	4,501.26	0.00	0.00
New Energy Associates Llc	0.00	0.00	0.00	9,060.74
Oracle Corp	0.00	0.00	0.00	1,729.17
Oracle Elevator Co	0.00	111.25	0.00	29,236.00
Oracle USA Inc	(4,393.50)	4,393.50	4,894.66	0.00
Osmose Utilities Services Inc	0.00	13,769.58	0.00	22,092.21
Overhead Door Co Of Louisville	1,246.16	14,222.10	0.00	0.00
Padgett Inc	5,820.00	14,284.50	0.00	0.00
Payformance Corp	0.00	0.00	0.00	342.50
Perkins Scale Corp	0.00	349.87	0.00	0.00
Petrochem Insulation Inc	369,842.84	435,000.60	0.00	0.00
Pic Energy Services Inc	0.00	1,565,399.25	2,106,129.23	2,082,874.80
Pic Group Inc	2,614,212.68	635,688.45	0.00	0.00
Pike Electric Inc	1,595,064.28	1,451,702.28	0.00	0.00
Pipe Eyes Llc	0.00	264,520.00	425,817.50	0.00
Powerplan Consultants Inc	2,064.00	0.00	5,713.51	0.00
Precipitator Services Group Inc	398,967.98	25,162.60	0.00	0.00
Precision Services Inc	133,866.83	182,469.64	0.00	0.00
Pro Turf Inc	64,091.52	43,578.88	0.00	0.00
Prosys Information Systems Inc	510.00	2,427.97	2,943.00	0.00
R And K Contracting Llc	22,626.91	8,999.97	0.00	0.00
R And P Industrial Chimney Co Inc	36,940.87	93,912.81	0.00	0.00
R Houston And Son Sandblasting Specialists Inc	54,613.67	39,545.80	0.00	0.00
Radio Communications Systems	14,100.90	13,415.12	13,531.09	13,663.81
Real Resume Corporation	0.00	0.00	1,404.00	1,404.00
Reynolds Inc	525.00	33,316.00	0.00	0.00
Rotating Equipment Repair Inc	78,855.62	98,033.80	0.00	0.00
Rus Sales	10,662.83	5,202.99	10,257.61	10,295.98
Samac Painting Inc	211,268.00	247,908.00	0.00	0.00
Securitas Security Services Usa Inc	48,083.39	0.00	0.00	0.00
Siemens Power Generation Inc	(22,975.09)	399,075.75	51,997.29	492,955.52

Southeast Boiler And Rigging Inc	7,760.57	0.00	0.00	0.00
Southern Cross Corp	678,434.52	760,402.02	664,070.85	758,798.49
Southern Pipeline Const Co	21,370.30	9,060.63	0.00	0.00
Southern Plumbing And Heating Inc	6,139.33	11,066.13	0.00	0.00
Sterling Commerce Inc	8,747.63	8,343.47	7,261.34	5,482.29
Stoll Construction And Paving Co Inc	302,180.48	195,005.49	117,474.30	77,668.19
Storagetek	0.00	0.00	0.00	1,594.87
Sungard Avantgard Llc	117.50	0.00	0.00	0.00
Symantec Corp	15,091.22	66,054.27	0.00	69,300.44
Technical Toolboxes	0.00	0.00	12,000.00	0.00
Televox Software Inc	0.00	0.00	0.00	39,441.33
Total Resource Management Inc	0.00	0.00	2,253.34	0.00
Trans Ash Inc.	107,664.34	64,307.67	65,901.30	193,645.32
United Conveyor Corp (Services)	0.00	7,378.11	0.00	0.00
Veolia Environmental Services	92,451.50	259,527.74	0.00	0.00
Veramark Technologies Inc	0.00	0.00	0.00	3,339.72
Whayne Supply Co	15,657.71	38,259.96	0.00	0.00
Youngblood Construction Inc	1,972,899.28	2,058,503.16	1,880,792.16	1,765,603.03
Total Maintenance Contracts by Vendor	23,805,196.18	25,492,085.79	14,146,129.68	12,198,733.54
Temporary Clerical/Accounting Services by Vendor				
Accountemps	2,090.44	0.00	1,038.84	0.00
Accurater Inc	0.00	1,228.75	0.00	0.00
Agilysys	0.00	546.11	0.00	0.00
Ajilon Consulting US	60,265.64	0.00	0.00	0.00
Ajilon Llc	0.00	0.00	0.00	63,283.00
Ajilon Professional Staffing Llc	66,478.38	221,640.38	90,707.50	6,625.00
Analysts Inc	1,170.00	1,170.00	0.00	1,365.00
Analysts International	68,453.05	82,805.67	11,146.75	58,085.67
Cook Systems Intl Inc	25,431.04	46,265.60	0.00	0.00
Four Sight Corporation	255,947.50	217,088.25	167,667.50	174,074.00
HR Affiliates Llc	0.00	77,713.52	0.00	0.00
Interactive Business Systems Inc	0.00	2,106.26	5,283.64	0.00
Kelly Services Incorporated	0.00	0.00	52,433.26	24,544.70
Kforce Inc	116,991.70	223,213.05	181,212.59	203,518.38
Manpower	0.00	0.00	22,896.41	25,851.76
Manpower Services	0.00	0.00	4,599.04	3,409.70
Ness Global Services Inc	0.00	0.00	0.00	14,055.50
New Age Technologies Inc	92,248.84	157,433.00	27,550.85	75,470.94
Other	0.00	225.55	9,940.18	2,840.00
Practical Solutions	450,942.98	664,395.18	198,801.25	0.00
Remedy Intelligent Staffing	68,214.58	308,388.19	331,922.74	214,479.62
Robert Half Management Resources	23,893.10	32,948.09	21,796.42	0.00
Surrex Solutions Corp	24,121.39	60,576.90	1,351.44	0.00
Talis Group Inc	0.00	4,861.95	0.00	0.00
Think Resources	29,323.61	0.00	0.00	0.00
Think Resources Inc	8,429.71	40,967.67	57,628.69	83,447.55
Todays Office Professionals	815,046.22	508,468.27	347,722.33	488,113.12
Todays Staffing Inc	0.00	294,392.27	0.00	0.00
Total Temporary Clerical/Accounting Services by Vendor	2,109,048.18	2,946,434.66	1,533,699.43	1,439,163.94
Legal by Vendor				
Abstracts And Titles Inc	10,426.35	0.00	0.00	0.00
Baker Botts Llp	1,321.80	10,546.99	16,991.27	6,736.21
Barnes And Thornburg Llp	81,751.97	81,237.16	23,683.67	11,446.58
Barnett Benvenuti And Butler Pllc	4,620.00	0.00	0.00	0.00
Boehl Stopher And Graves Llp	65,662.83	50,843.55	33,417.15	347,393.00
Butzel Long Attorneys And Counselors	0.00	2,522.00	0.00	0.00
Center For Toxicology And	7,289.04	0.00	0.00	0.00

Cooper And Elliott Llc	0.00	0.00	0.00	1,123.15
Covington & Burling	0.00	775.65	0.00	0.00
David L Beckman	1,470.32	0.00	0.00	0.00
Dewey And Leboeuf Llp	188,716.89	111,516.92	18,602.96	0.00
Dewey Ballantine	0.00	0.00	168,491.57	103,088.57
Dilbeck Myers And Harris Pllc	0.00	2,759.70	1,441.00	1,692.00
E Title Services Llc	100.00	0.00	0.00	0.00
Ferreri & Fogle	0.00	0.00	387.60	13,339.90
Fisher And Phillips Llp	15,422.72	0.00	0.00	0.00
Foley And Mansfield Pllp	3,566.00	0.00	0.00	417.10
Frost Brown Todd Llc	275,954.39	161,253.62	359,352.75	320,451.24
Fulton And Devlin	20,914.93	11,052.88	14,742.35	8,008.51
Galloway Appraisal	66,176.50	0.00	0.00	0.00
Greenebaum Doll And Mcdonald Pllc	52,213.79	85,889.87	116,623.53	54,754.48
Herzog Crebs Llp	0.00	0.00	0.00	771.70
Holly M Everett Psc	0.00	3,570.00	5,262.00	0.00
Howrey Llp	0.00	0.00	885.53	3,329.36
Hunton And Williams Llp	93,896.89	121,566.47	129,403.57	113,980.78
Hurt Legal Document Services	9,505.38	0.00	0.00	0.00
IMR Metallurgical Services	0.00	0.00	0.00	6,544.85
Jackson Kelly Pllc	0.00	23,265.00	23,265.00	0.00
Jones Day	11,245.24	9,943.53	570,143.94	59,778.99
Joseph D Green	3,792.50	0.00	0.00	0.00
Keller And Heckman Llp	5,741.25	0.00	0.00	0.00
Kilpatrick Stockton Llp	0.00	0.00	1,739.05	0.00
Moses And Singer Llp	0.00	0.00	7,144.63	0.00
Nixon Peabody Llp	0.00	0.00	11,229.77	8,226.03
Novack And Macey Llp	0.00	0.00	1,134.00	0.00
Other	421,694.13	(10,637.36)	37,485.54	76,313.93
Powell Goldstein Llp	3,120.00	3,120.00	1,176.50	0.00
Reed Weitkamp Schell And Vice Pllc	0.00	0.00	0.00	250.29
R J Lee Group Inc	133,011.94	30,270.33	0.00	0.00
Robinson, Mark A	0.00	0.00	0.00	5,448.18
Rosso Alba, Francia And Ruiz Moreno	0.00	1,120.70	1,146.14	0.00
Skadden Arps Slate Meagher And Flom Llp	20,326.50	10,000.00	0.00	0.00
Smith And Smith	0.00	55.00	0.00	1,112.79
Stoll Keenon Ogden Pllc	720,091.47	348,280.95	358,749.23	420,719.92
Strickland, Nancy	100.00	0.00	0.00	0.00
Sturgeon, Allyson	0.00	0.00	0.00	28,593.82
Thelen Reid Brown Raysman And Steiner Llp	0.00	0.00	3,010.88	0.00
Thomas A Donan	90.00	60.00	4,243.88	1,927.50
Thompson And Knight	0.00	824.50	0.00	1,113.00
Troutman Sanders Llp	540,832.15	771,154.97	1,224,176.67	971,212.17
Valenti Hanley And Robinson Pllc	0.00	165.00	4,426.90	0.00
Van Ness Feldman	442.14	76.43	254.84	191.73
Vervilles, Susan	300.00	0.00	0.00	0.00
Virginia Klapheke Ccr	392.94	0.00	0.00	0.00
Watkins And Eager Pllc	0.00	0.00	987.09	1,201.54
Weltman Weinberg And Reis Co Lpa	0.00	5.50	0.00	0.00
White Pllc, Jackson W	0.00	0.00	923.40	0.00
Whitlow Roberts Houston And	347.07	0.00	0.00	0.00
Woodward Hobson And Fulton Llp	38,113.10	34,909.85	37,687.45	14,006.73
Wyatt Tarrant & Combs Llp	29,219.95	6,674.87	0.00	3,787.35
Total Legal by Vendor	2,827,870.18	1,872,824.08	3,178,209.86	2,586,961.40